barcud

# Annual Report and Financial Statements 2023/24

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£2.28m
increased income generated for tenants
2.29%
Sector leading rent arrears KPI
£27.6m
development grants secured

# Highlights

**£6.5m**
spent on upgrading existing homes

**£50.6m**
social value in terms of procurement spend across all areas, of which, 85% is generated in Wales and 56% within Barcud's operational area.

**422**
lettings made, of which 42% were to homeless applicants

- Award winning developments (Llety'r Eos, Aberystwyth)
- Award winning apprenticeship schemes (EOM)
- Winner of the Small Business Growth Award at the annual Powys Business Awards (EOM)
- 1,128 people across Powys were helped by Care & Repair in Powys
- Assisting 168 people into temporary emergency accommodation and increasing provision from 55 to 62 units (The Care Society)

# This is Barcud

# Our story

## An experienced and growing housing association in the heart of mid and west Wales with a vision of "building firm foundations, creating better homes and stronger communities".

- With an annual turnover in excess of £31m, Barcud owns and manages over 4,400 affordable homes and is proud to offer a wide range of bilingual, tenant focussed services including rent, repairs and welfare benefits advice.
- The Association develops and provides affordable homes across Ceredigion, Powys, North Pembrokeshire and Carmarthenshire and actively seeks opportunities to work with like-minded partners to support and strengthen the local economy and communities it serves.
- 79 new homes were built in 2023 and over 286 homes are currently under construction and due for completion within the next two years.
- The Barcud Group includes Barcud Cyf, Care and Repair in Powys, EOM and The Care Society. Each subsidiary provides complementary services to Barcud in either delivering our repairs, maintenance and adaptations services or, in offering specialist support to our most vulnerable tenants and the wider communities in which we operate.
- We have over 300 employees across the Group and an active "Grow Your Own" culture, supported by comprehensive training packages and professional development opportunities.

barcud
Supporting our Communities

Medra
barcud.cymru
0300 111 3030

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**Barcud Cyf.**
Community Benefit Society

**The Care Society**
Charitable Company

**Care and Repair Powys**
Community Benefit Society

**EOM Ltd**
Companies Act

Gofal a Thrwsio ym Mhowys
Care & Repair in Powys

EOM

CYMDEITHAS GOFAL
THE CARE SOCIETY

## A clear set of values helps drive our strategic objectives

**Committed**
We are committed to providing firm foundations for life.

**Respect**
We respect the people we work with and work for and value the contribution they make.

**Together**
We work together with colleagues, tenants and partners, creating stronger communities.

**Caring**
We care about people, communities, culture, country and the environment.

**Proud**
We take pride in what we do and we are proud of doing it well.

# Introduction

# Introduction from the Interim Group Chief Executives and the Chair of the Board

Building on the successes achieved in the previous year, Barcud has seen further growth and improvement in terms of delivering on our core objectives in 2023/24, across housing and three subsidiary companies, EOM, The Care Society and Care & Repair in Powys.

Led by the Board, we have taken the opportunity during this past year to review our vision, values and strategic objectives. We wanted to ensure that they best reflect the organisation's commitment to accessibility and inclusion and that we have the right focus and resources in place to continue delivering first class homes and services to our tenants and wider customers.

The cost of living crisis has become more acute and we continue to prioritise the financial advice and support offered to our most vulnerable tenants in terms of maximising their income through early intervention of our Cynnal (Income Recovery) team. We are proud that over £2m of extra income was generated on our tenants' behalf by our Cynnal teams over the last year and that our rent arrears KPI was one of the best in the Sector at 2.29% at year end. In a similar vein, we continue to offer a high level of support to our Local Authority partners, not only in respect of accommodation offered to assist in their statutory homeless duties but also, by offering quality housing support services provided by one of our subsidiaries, The Care Society. By the end of the financial year, Barcud's overall figure for homeless provision is 42% of all qualifying lettings.

In addition, considerable work has gone into the smooth implementation of the Renting Homes (Wales) Act, not only in terms of the standardisation of the Occupational Contracts we offer but also, in relation to Regulatory "Fitness for Human Habitation" requirements.

In 2023/24 and in line with achieving our vision of building firm foundations and creating better homes, Barcud invested a total of £6.5m in upgrading and maintaining our properties, mostly procured and delivered in Powys through our commercial subsidiary contractor, EOM, and in Ceredigion by our Direct Labour Organisation, Medra. In terms of new development, Barcud secured Welsh Government grant funding totalling over £27.63m to assist in the delivery of our ambitious development programme. 79 new affordable dwellings were built in 2023/24, 7 existing homes acquired, and another 286 are under construction, for delivery over the next two years. All are being built or improved to high energy performance Passivhaus, or near Passivhaus* (*see page 10) standards.

The decarbonisation of our homes to meet net zero targets remains one of Barcud's key objectives, and sits alongside its drive to secure sustainable affordable warmth for our tenants. We actively participated in the Welsh Housing Quality Standards (WHQS) review and were pleased to be chosen as one of its pilot organisations to assess future asset data and IT system modifications required to be able to produce whole stock assessments and targeted energy pathways (TEP) for each of our properties. Suitable energy modelling software was procured with the assistance of Optimised Retrofit funding and currently, we are in the final stages of its full integration with our main asset database. This will provide insights into where and how best to achieve the target energy measures.

Throughout the past year, we have remained diligent in terms of inspecting and tackling damp, mould or condensation issues wherever it is found, and by working closely with our tenants to complete any mitigation measures required in a timely manner. This has yielded a positive outcome in that, not only are our tenants satisfied with the maintenance response they are receiving but also, Barcud receives one of the lowest numbers of disrepair claims of any Registered Social Landlord in Wales.

**£6.5m**
invested in upgrades and maintenance

**£27.6m**
Welsh Government grant received for development plan

**£2m**
extra income generated for tenants by Cynnal team

*Passivhaus is a building standard focused on energy efficiency. It uses thick insulation, airtight construction, high-quality windows, and heat recovery ventilation to keep indoor temperatures comfortable with minimal heating or cooling. This design significantly reduces energy use and carbon emissions, making Passivehaus buildings eco-friendly and cost-effective.

*Siân Howells*

*Kate Curran*

*Alison Thorne*

Working alongside our subsidiary, Care & Repair in Powys and our Local Authority partners, Barcud helped 35 disabled tenants by carrying out major adaptations to their homes, enabling them to stay living independently for longer. In addition, over 400 small adaptations were fitted to support our tenants being discharged from hospital, with Care & Repair working quickly to install such measures.

Over 2023/24, our other charitable subsidiary, The Care Society, similarly supported 168 vulnerable homeless people and families in temporary housing accommodation in Ceredigion and Powys.

Throughout 2023/24 Barcud continued to work in partnership with our tenant representatives, with operational and strategic review task and finish groups in relation to decarbonisation and affordable warmth issues, WHQS2 and Health and Safety matters. Barcud Monitoring Group members and our wider "Home based" tenant group also participated in the development and review of policies, annual business planning, risk management reviews and recruitment of new CEO. Barcud seeks to continually improve in all aspects of leadership and governance and undertook a significant Governance review through the year with the Board and the Executive working closely together to shape improved work plans, information flows and better meetings. This was to improve the decision-making process and ensure it reflects a diversity of thought.

We sincerely thank the Barcud Monitoring Group for their dedication and hard work in reviewing our policies and strategies and providing that all important tenant view on a range of matters. Their commitment and involvement has been instrumental in enhancing the well-being and satisfaction of our tenants, and we appreciate the Group's continued efforts.

Our ambition to make Barcud the leading community-based housing group within mid and west Wales, remains. We continue to increase the range of choice and services we offer, both in terms of affordable housing tenure choice and also in the support and training afforded to vulnerable members of the community, with the aim of creating sustainable growth, community cohesion and employment within the Mid Wales Growth Deal region.

In the year of 2023/24, there was a change in the leadership team with Steve Jones leaving as CEO. We would like to thank Steve for his contributions to Barcud since the inception of the organisation. We were delighted that Kate Curran, Group Director of Corporate Services, and Siân Howells, Group Director of Development & Asset Management, agreed to step up as Interim Co Chief Executive Officers for the remaining duration of 2023/24 for which we would like to express our gratitude. Additionally we are grateful to Dafydd Lewis for serving as Interim Chair during the recruitment of our new Chair. Barcud's new Chief Executive, Jason Jones, joined the association in May 2024.

Lastly but by no means least, we would like to take this opportunity to thank all of our colleagues and Board members across the Group for their commitment and energy in achieving all of the above within a challenging external social and economic environment. Our local authority colleagues and elected members across four county council areas have also been vital partners in helping us achieve such positive outcomes. Partnership working and fostering community resilience is at the heart of everything we do.

**Siân Howells**
Interim Co-Chief Executive

**Kate Curran**
Interim Co-Chief Executive

**Alison Thorne**
Group Chair of Barcud Board

Siân Howells

Kate Curran

Llŷr Edwards

Eleri Jenkins

Steve Jones

Margaret Anderson

Jason Jones

# Corporate Information

# Executive Officers, Funders, Etc.

## Group Executive Officers

Siân Howells, Interim Group Co Chief Executive (September '23 to May '24)/ Group Director of Development & Asset Management
Kate Curran, Interim Group Co Chief Executive (September '23 to March '24)/ Group Director of Corporate Services (Maternity Leave from March '24)
Steve Jones, Group Chief Executive (until September '23)
Eleri Jenkins, Group Director of Housing and Support
Llŷr Edwards, Group Director of Commercial Services
Margaret Anderson, Interim Group Director of Corporate Services (Maternity Cover from February '24)
Jason Jones, Group Chief Executive (appointed February '24, in post May '24)

## Funders

**Barclays** Windsor Court, 3 Windsor Place, Cardiff CF10 3BX
**Orchard Brooke** Crown House, Crown Street, Ipswich IP1 3HS
**THFC** 17 St Swithin's Lane, London EC4 8AL
**Nationwide** Kings Park Road, Moulton Park, Northampton NN3 6NW
**GB Social Housing** The Future Business Centre, Kings Hedges Road, Cambridge CB4 2HY
**BAE Systems** 14/16 Caxton Street, London SW1 0QT
**abrdn** 1 George Street, Edinburgh EH2 2LL

## Registered Office

Unit 4 Pont Steffan Business Park, Station Terrace, Lampeter, Ceredigion SA48 7HH

## External Auditor

**Beever and Struthers**
The Colmore Building, 20 Colmore Circus Queensway, Birmingham B4 6AT

## Internal Auditors

**Astari**
Valleys to Coast Housing, Tremains Business Park, Tremains Road, Bridgend CF31 1TZ

## Bankers

**Barclays Bank plc**
Harford Square, Lampeter, Ceredigion SA48 7HF

Registered under the Co-operative and Community Benefit Societies Act 2014 with charitable rules. Registered by the Welsh Government No. L151

# Strategic Objectives

To maximise the provision of affordable, energy efficient homes in mid and west Wales

To be a bilingual, tenant focused landlord that works with partners to support the local economy, communities and tackles homelessness

To be an inclusive, first class employer that fosters a positive culture and is dedicated to developing its employees

To be a sustainable, low carbon organisation

To be an organisation with robust governance, finances and digital infrastructure

# Strategic Objective 1

**To maximise the provision of affordable, energy efficient homes in mid and west Wales**

**Maintaining Our Properties**
In the last financial year, Barcud carried out a range of planned and major programmes of work to ensure our properties are maintained in accordance with Welsh Housing Quality Standards (WHQS) and to enhance the thermal efficiency of our properties. Our aim is to provide our tenants with homes that are comfortable, modern and secure. In total, Barcud invested in excess of £6.5 million in planned and major improvement works.

| The financial breakdown summary for year-end includes: | |
|---|---|
| ▶ **Optimised Retrofit Programme** | £940k |
| ▶ **Internal Works** | |
| Electrics | £132k |
| Insulation | £81k |
| New Floor Safety Coverings | £71k |
| Bathrooms | £368k |
| Heating Including Photovoltaic Programme | £945k |
| Kitchens and Internal Works | £442k |
| ▶ **Adaptions to assist independent living** | £265k |
| ▶ **External Works** | |
| EWI Insulation Programme | £59k |
| New Guttering, Fascia Boards & External Rendering | £126k |
| New Fencing/Boundaries | £964k |
| External Elements | £740k |
| Roofing | £615k |
| Windows & Doors | £575k |
| ▶ **Safety** | |
| Asbestos | £55k |
| Fire Safety Provision | £193k |

| Component replacement included | |
|---|---|
| 30 | Replacement Kitchens |
| 77 | Homes Receiving New Doors and Windows |
| 45 | New Bathroom Suites |
| 43 | New Heating Systems |
| 36 | Roof Replacements (including The Berkeley (Block) |
| 40 | Solar PV systems installed to existing Air Source Heated properties |

Most of these replacements were completed in Powys by our commercial contractor, EOM Ltd and in Ceredigion, by our Direct Labour Organisation, Medra.

Major Works
Various major works were completed, some supported by either Optimised Retrofit Grant funding (£940k) or Transitional Accommodation Grant funding (£500k) from the Welsh Government. These included:

## Major Works

**Bodlondeb** – Llanidloes (Supported Housing)
External Improvement works to create level access to the whole perimeter of the site. Phase two commenced in June 2024 and will provide a level access solution to the inner court yard, complete replacement of all doors and windows and external redecorations.

**The Poplars** – Llandrindod Wells (Retrofit to five flats)
Works included new roof coverings, internal wall insulation, new kitchens, bathrooms, heating systems and doors & windows. The property was also rewired and redecorated. All works are complete and the properties re-let.

**Belle View** – Welshpool (Retrofit to four flats)
Our subsidiary contractor, EOM, commenced major refurbishment of this property in 2023/24. Works include the thermal upgrade of the flats and the first stage included excavations to the ground floor to expose foundation details and stripping out services. This project will continue into 2024.

**The Berkeley** – Llandrindod Wells (Roof Covering Replacements – 8 flats)
The renewal of the slate pitched roof coverings included new ridge tiles, UPVC fascia, barge and soffit board and rainwater systems. Thermal upgrading of loft insulation and insulation to sloping ceilings was also completed.

**Maes Y Dderwen Llanfyllin** (Roofing Ventilation Works)
Works to ventilate the roofs to help prevent damp at 10 properties in Maes y Dderwen Llanfyllin and environmental sensors were installed by Medra at properties in Rhydfach and Anwylfan following External Wall Insulation installations.

**Roofing Programme**
In Ceredigion, a further 21 roof replacements and loft insulation upgrades were completed at properties in the north and south of the County. Four of the nine properties at Bro Hafan Cross Inn, New Quay also benefitted from external re-rendering and re-decoration.

## Living Safely

We take our regulatory responsibilities seriously and ensure that our properties and equipment and play areas are safe for our residents and visitors. We have a comprehensive inspection, service and maintenance regime to cover key health and safety areas such as gas and electrical safety, fire control systems, lifts, specialist equipment and asbestos management and we are committed to maintaining our very high level of compliancy in these areas. In 2023/24 we spent £786k ensuring these compliancy measures were delivered.

**£786k**
health and safety maintenance completed

External area safety improvements, fencing and retaining boundary wall works were completed at a variety of locations throughout Ceredigion and Powys, including at:

- Y Bwthyn - Knighton
- Clerks Court - Welshpool
- Pine Court - Newtown
- Hyfrydle - Llanddewi Brefi
- Overton Flats - Aberystwyth

Further external works have included the upgrade of the road at Maes yr Awel, Ponterwyd to facilitate its adoption and also, demolition of redundant garage blocks at Maeshenffordd, Cardigan and Brynglas, Aberporth.

## Living Independently

The Association fully supports older and disabled people to live independently in their own homes in accordance with our Lifetime Homes strategy. We have invested over £264k (plus an additional £202k in grant funding) in carrying out major adaptation works to properties; assisting residents to remain independent. Works included the installation of hoists, level access showers and stair lifts.

**£466k**
of adaptations to allow tenants to live independantly

Our nine Scheme Coordinators, whose roles are 70% funded by the WG Housing Support Grant, play a pivotal role in providing invaluable housing support and assistance. Their dedication allows approximately 320 older and vulnerable tenants to retain their independence, a testament to their significant contribution to our work.

Throughout 2023/24, our scheme coordinators have been at the forefront, leading and supporting activities in their individual Schemes as well as group activities in the Sheltered Forum, which is held bi-monthly. Loneliness and isolation, known contributors to poor mental health, are being effectively combated through our support activities, including partnership working with third sector providers. Our Scheme Coordinator team is a beacon of hope, providing a lifeline for many individuals who would otherwise require health and social care support.

Activities have included coffee mornings, charity events, games afternoons, quizzes, BBQs, outdoor activities, and day trips, which have allowed individuals without means of transport to socialise away from the schemes.

# New Developments & Regeneration

Barcud is committed to developing new homes in partnership with local builders and suppliers throughout Ceredigion and Powys, Carmarthenshire and Pembrokeshire.

In 2023-24, we engaged in a significant building programme which saw delivery of 79 new dwellings and the commencement of over 286 new homes which are in progress for delivery over the next two years. Over 2023/24 saw Barcud draw down just over £27.63m in grant from the Welsh Government.

The Association is proud to have promoted local employment and opportunities through the procurement of these schemes. The construction contracts require the contractor to employ 80% local labour and provide training placements for building trade apprentices.

In 2023/24, our development activity created jobs or supply chain opportunities for:

- 9 main contractors
- 175 local tradespersons, 5% of which were female and all of which lived within a 30-mile radius of the schemes;
- 15 apprenticeship opportunities covering a wide range of building trades – electrical, plumbing, plastering and the like;
- 100 local suppliers/subcontractors used for the supply of significant elements of the houses, such as timber frames, bricks and joinery items.

Wherever circumstances allowed, we have built to near or at Passivhaus level, in an effort to minimise our Carbon footprint and to maximise the affordable warmth benefits for our tenants.

Barcud is also proud of the level of dwelling security we offer our tenants and pays close attention to Secured By Design requirements in all scheme designs. So much so that in February 2024, we were awarded the best small development across the UK and Ireland by the Police Prevention of Crime Academy for our Llety'r Eos scheme in Heol Dinas, Aberystwyth.

## Completed Schemes

**Trem Y Ffridd, Montgomery**
33 x 1, 2, 3 & 4 bed houses and bungalows.
Heating: Solar PV Panels and Air Source Heat Pump
Developer: SJ Roberts Construction Ltd.

**Maes Dulais, Newtown**
First phase: 21 (out of 37) x 1, 2, 3 & 4 bed houses and bungalows.
Heating: Solar PV Panels and Air Source Heat Pump
Developer: SJ Roberts Construction Ltd.

**Tregerddan, Bow Street**
9 homes - 8 x 1 & 2 bed flats and houses and 1 x 5 bed house - all to PassivHaus standard.
Heating: PassivHaus, with MVHR (Mechanical Ventilation and Heat Recovery), Solar PV panels and small electric panel heaters.
Developer: Williams Homes (Bala) Ltd.

**Tenby Road, Cardigan**
6 x 2 & 4 bed houses.
Heating: Solar PV Panels and Air Source Heat Pump
Developer: Gawnen Construction Ltd.

**Plas Maldwyn, Caersws**
10 x 2 bed flats and 2 x 1 bed flats.
Heating: Ground Source Heat Pumps with MVHR and Solar PV Panels.
Developer: Mid Wales Property Ltd.

## Schemes on site – for completion 2024/25:

At the end of 2023/24, Barcud has 89 dwellings nearing completion on sites in Powys, Ceredigion and north Pembrokeshire, all of which are due for completion in 2024/25. A further 31 Shared Ownership homes for sale in Newtown, Powys are also nearing completion and marketing will commence shortly. All are being built to EPC A or PassivHaus energy efficiency standards and benefit from solar PV, mechanical ventilation and either High Heat Retention electric panel heating or air source heating.

## Stock Purchases

The acquisition of 7 properties across Powys and Ceredigion were completed in 2023/24, including four at Penmorfa in Aberystwyth, as part of the strategic plan for that property.

**£51m**
procurement spend across all areas

## Purchasing power

We are proud that in total, Barcud's social value in terms of procurement spend across all areas is some £50.6m, of which, 85% is generated in Wales and 56% within Barcud's operational area.

# Strategic Objective 2

**To be a bilingual, tenant focused landlord that works with partners to support the local economy, communities and tackles homelessness**

**Lettings**
The letting of a property to a new tenant is a fundamental housing management function. In Barcud's case, this is achieved via the Ceredigion Housing Register and the Powys Common Housing Register. Both registers utilise their respective common allocation policies. Barcud is the major partner of both registers.

42% of lettings were made to homeless applicants

**Lettings for 2023/24 consisted of:**

| Category of Applicant Re-housed | General Needs | Sheltered Housing | Total |
|---|---|---|---|
| Ceredigion and Powys Common Housing Registers | 154 | 22 | 176 |
| Intermediate Rent | 7 | - | 7 |
| Rent to Own | 2 | - | 2 |
| Market Rent | 1 | - | 1 |
| Shropshire | 1 | - | 1 |
| Homelessness | 140 | 16 | 156 |
| Supported Housing | 10 | - | 10 |
| Internal Transfers within Barcud | 37 | - | 37 |
| Mutual Exchanges of Tenancy | 32 | - | 32 |
| Total | 384 | 38 | 422 |

Of the 422 properties let, 48 were new builds. 42% of lettings were made to homeless applicants.

**Financial inclusion support**
Our tenancy sustainment (financial inclusion) Cynnal Team continues to maximise tenants' incomes. Over £2.28m of additional 'income' has been accessed for tenants with over 1,100 contacts made by the team by either email, telephone or a home visit.

**Tenant Engagement**
Throughout 2023/24 there have been over 150 activities and events held that tenants have been involved in and some of these are included in the BMG Chair's update. Highlights include:

- Over 15 key policies and strategies were reviewed
- 18 Forum meetings held including 5 at our sheltered schemes;
- 11 Skip days held on various estates
- 5 free family fun days
- A gardening competition
- Annual Tenants' Conference

The Barcud Monitoring Group continues to work closely with Barcud. This collaborative work and insight into Barcud's operational processes has helped develop a greater appreciation and understanding of the

Association's operating environment. More importantly, it has provided tenants with the opportunity to help shape services and target resources in a way that delivers greater value for money, satisfaction and convenience benefits for us all.

Barcud's home based consultative group "Pawb" has supported this work and also participated in the:

- recruitment of the Chief Executive Officer
- Customer Contact survey
- Tenant Involvement Strategy
- Rent setting survey 2023 / 24
- Various TPAS Tenant Pulse surveys

Barcud promotes lists of events and different ways tenants can become involved via social media.

4,400 homes currently being let

**Tenant Satisfaction**
During 2023/24 Barcud carried out a telephone survey asking tenants their opinion on the Welsh Government's 12 standard questions. Barcud's results are shown in the table below:

| No | Question | Overall Satisfaction |
|---|---|---|
| 1 | How satisfied or dissatisfied are you with the service provided by your housing association? | 92.5% |
| 2 | How satisfied or dissatisfied are you with the overall quality of your home? | 92% |
| 3 | Generally, how satisfied or dissatisfied are you with the way your housing association deals with repairs and maintenance? | 90.5% |
| 4 | How satisfied or dissatisfied are you with your neighbourhood as a place to live? | 89% |
| 5 | How satisfied or dissatisfied are you that your rent provides value for money? | 87.5% |
| 6 | How satisfied or dissatisfied are you that your service charges provide value for money? | 81% |
| 7 | How satisfied or dissatisfied are you that your housing association listens to your views and acts upon them? | 81.5% |
| 8 | Thinking about your home specifically, how satisfied or dissatisfied are you that your housing association provides a home that is safe and secure? | 95.5% |
| 9 | How satisfied or dissatisfied are you with the way your housing association deals with antisocial behaviour? | 78% |
| 10 | How satisfied or dissatisfied are you with opportunities given to you to participate in Barcud's decision making processes? | 76.5% |
| 11 | How satisfied or dissatisfied are you that Barcud gives you a say in how services are managed? | 76.5% |
| 12 | To what extent do you agree with the following statement - "I trust my housing association" | 93.5% |

**Creuddyn**

Barcud's rural SME business centre has continued to strengthen its position as a home to small local businesses and start up, with over 19 now occupying this facility. The centre welcomed another charity - Ceredigion's Citizen Advice Centre - who have decided to use Creuddyn as their administrative hub for the County. The credit union "Save Easy" continues to hold a weekly surgery from Creuddyn every Thursday afternoon. The community garden continues to thrive, managed by a group of volunteers, where users of the centre and Food Bank clients can pick and enjoy the range of fresh produce such as soft fruit, herbs and salad leaves, as well as enjoy the quiet space for some down time.

The meeting rooms and conference suite were booked throughout 2023/24 and hosted a range of meetings from Welsh lessons, drop in sessions for regeneration and business development initiatives, Hywel Dda Health Board meetings and Adult Learning Wales courses. Outside office hours and on weekends, the Creuddyn business centre continued to be well used by the local community for local social, training and education events.

# Strategic Objective 3

**To be an inclusive, first class employer that fosters a positive culture and is dedicated to developing its employees**

**With over 300 employees employed by the Barcud Group, we thrive on providing services that are timely, value for money and are of good quality. As an organisation, we realise that without our workforce we would not be able to achieve the results that we have.**

**Employee Survey**
During 2023, we undertook a Pulse Survey to get the employees perspective on Barcud's values and performance as an organisation.

The survey highlighted that employees felt Barcud provided an excellent service to our tenants and it is an enjoyable place to work. Tenant involvement scored highly with employees emphasising the importance of and value of such collaborative working.

In addition, a number of employees noted that we achieve high performance on our Key Performance Indicators and are constantly in the top quartile for RSLs.

Another employee commented on how we pride ourselves in giving work to local people. Over 77% employees said that they would recommend Barcud as a great place to work. Employees valued the training received and the opportunities given to the workforce.

**Providing a Bilingual Service**
Providing a bilingual service is an important factor of who we are and the way we work with our local communities. Currently, over 56% of the workforce are Welsh speakers in a geographical area where 41% of the population speaks Welsh. Employees who cannot speak the language are encouraged to learn and initiatives are organised throughout the year to enable employees to do this.

**Health and Wellbeing of our Current workforce**
As part of the Tuag at Iechyd campaign, we continue to undertake regular health surveillance assessments especially for our trades operatives in EOM & MEDRA. This is extremely important in ensuring that the health and wellbeing of our employees is monitored, recorded and appropriate advice and guidance issued. Several of our colleagues have benefited from this preventative approach.
Sickness absence for Barcud was steady throughout the year with an average monthly absence percentage of 2.48% for the year. The average for the sector was over 3% and absences are managed through HR and the appropriate line managers on a regular basis.

**Partnership working**
Partnership working is essential in order to promote opportunities within the group. In 2023/24, the HR department attended several events organised by secondary schools within the Barcud area, and offered advice and guidance to pupils on several work-based areas. They conducted interview skills i.e. what to expect in an interview, how to write a CV classes as well as promoting apprenticeships.

**Workforce development**
Colleagues across the group gained recognised qualifications – e.g. Chartered Institute of Housing qualifications – CIH levels 3,4 & 5; Association of Accounting Technicians (AAT); Employment Law; NEBOSH qualifications; HNC in Construction Management and Technology as well as various trade qualifications, such as Electrical Installations; SMSTS; CORGI qualification in Gas Safety.

During 2023, Barcud became an approved Qualsafe centre; this means that a number of courses can now take place "in house" using our own qualified trainers rather than having to source external providers.

**Growing Our Own**
As an organisation, we pride ourselves in providing opportunities for employees to grow and prosper. Through our apprenticeship and traineeship schemes we support colleagues in gaining further education and development whilst being employed at Barcud. The term 'Earn while you Learn' combines real paid jobs with training and study. Our apprentices and trainees earn a salary, gain skills and have the opportunity to put what they have learnt into practice.

During 2023/24, Barcud employed 5 new apprentices/trainees. Previously, we mainly employed apprenticeships within Medra (our direct labour organisation), however, other departments are now seeing the benefits of employing apprentices and are eager to participate in growing our own. Housing, Finance and Repairs and Maintenance have all secured apprenticeships/traineeships during the year.

**One of Our Success Stories**
Lindsay James-Preece started with Barcud as an apprentice plumber nearly five years ago. Lindsay qualified as a plumber and was successful in gaining full time employment within Barcud. In order to develop her career, a traineeship opportunity came up within the Responsive Repairs Team and Lindsay succeeded in gaining this role. Lindsay is currently working towards her HNC in Construction Management and Technology.

# Strategic Objective 4

**To be a sustainable, low carbon organisation**

96
SAP rating on 79 new homes

Barcud has set a strategic objective to be a sustainable, low carbon organisation in our five-year Business Plan for 2023-2028 and has defined actions as to how we intend to achieve this. We have a clear Decarbonisation Strategy in place that charts the 38% reduction in Green House Gas (GHG) emissions required across the organisation by 2030, from its 2020/21 baseline, in order to achieve Net Zero by 2050. The carbon footprint for Barcud's existing homes makes up 95% of the organisation's carbon footprint and therefore, is a key focus for Barcud's decarbonisation strategy.

Throughout 2023/24, and with the assistance of grant funding obtained via the Welsh Government's Optimised Retrofit Programme (ORP), Barcud continued to reinvest in its existing homes to improve their energy efficiency in line with our Affordable Warmth Strategy, and the enhanced requirements imposed by the new Welsh Housing Quality Standards (WHQS), published by the Welsh Government in October 2023. This supports and advocates our "fabric first" re-investment programme for our existing properties. Capital works which enhanced the thermal efficiency of our dwellings were prioritised in 2023/24 and included the installation/renewal of:

| | No. |
|---|---|
| Roof replacements and new loft insulation | 36 |
| Properties had replacement windows (31 of which were triple glazed) | 77 |
| Air Source Heat Pump installations | 17 |
| Ground source heat pumps, including intelligent hot water systems; | 21 |
| High Heat Retention (HHR) electric heating systems | 5 |
| Solar PV systems incorporating either a solar share system directed to each property's feed in tariff or with the benefit diverted to new "mixergy" smart hot water systems; | 61 |
| Solar PV systems retrofitted to properties with existing air source heating; | 40 |
| Mechanical heat recovery systems; | 21 |
| Environmental Gateway/LoRaWAN sensors | 101 |

We continue to monitor the increase in the average EPC (SAP) rating for our existing and new build dwellings. As a result of our targeted investment in our homes, the average SAP rating of our existing dwellings increased from 71.05 to 72 over the course of the year, and our 79 new build dwellings constructed to near Passivhaus standards achieved an average SAP rating of 96.

In September 2023, Barcud was chosen as one of the Welsh Government's pilot RSLs to trial its guidance and the implementation of Whole Stock Assessment (WSA) and Target Energy Pathways (TEP) requirements, as set out in the new WHQS guidance. Working with the Welsh Government's consultants, Sustenic, Barcud has successfully implemented the SAVA Intelligent Energy modelling software and is in the final stages of an energy data collection and reconciliation exercise as part of the work required to start producing TEPs for each of its dwellings. This work will continue in 2024/25 and Barcud's learning outcomes shared with the Welsh Government and the project steering group.

In conjunction with the above, we are in the process of reviewing our WHQS Compliance Policy to reflect the findings coming out of the stock profiling exercise currently in progress and also, our Asset Management Strategy. Our aim is to ensure that our capital reinvestment programmes, whether that is in relation to our new build construction programmes, our fleet of vehicles, our offices and their usage and the products and suppliers we procure from, best enable Barcud to meet our decarbonisation ambitions and targets.

**Barcud's Carbon Footprint by Emissions Source**

Barcud started by calculating its first carbon footprint for FY20/21. This was to better understand the greenhouse gas emissions associated with its activities and identify emissions "hotspots" that could be investigated further.

The carbon footprint was 9,589 tCO2e, which is approximately equivalent to 7% of emissions from all homes in Ceredigion. 95% of Barcud's carbon footprint is from the energy used across its 4,400+ homes.

**9,589 tCO2e**

| | |
|---|---|
| Housing Stock | 95% |
| Operational Electricity Consumption | 2% |
| Operational Gas Consumption | 1% |
| Operational Other Fuels | 1% |
| Fleet | 1% |

Reducing emissions from Barcud's direct operations has also continued throughout 2023/24 when we opted for electric pool cars at each of our three main office bases and also, started to investigate the use of electric vehicles in EOM & Medra. Our hope is that we will be able to convert our existing fleet over the next five – six years.

# Strategic Objective 5

**To be an organisation with robust governance, finances and digital infrastructure**

**Finance**
A detailed 5-year budget is prepared annually in consultation with colleagues in order to enable the association to achieve its aims and objectives. This is scrutinised and approved by Board and then fed into the 30-year Financial Business Plan using relevant assumptions. The Board and Audit and Risk Committee receive Management Accounts which report financial performance against the annual Budget, a 2 year forward cashflow, schedules on capital spend and developments and a Treasury report that monitors compliance with all covenants required by funders. This and the 30-year Financial Business Plan provide assurance to Board members that sufficient funding is in place and the association is financially viable. The plan is stress tested and mitigations identified and modelled by the Leadership Team and the Board.

2023/24 was a more challenging year financially with a surplus of £2.9m and reserves of £36m. As at 31st March 2024, all subsidiaries of the Barcud Group were reporting a surplus.

**Rent Arrears**
Through keeping our rent levels affordable and helping tenants to sustain their tenancies, Barcud's rent arrears remained low throughout the year, ensuring the financial viability of the association.
Our performance was 2.29% compared to the target performance of 1.99% however we were still well below Welsh social landlords' average performance of 2.8%

**Governance**
During 2023/24, the association commenced implementation of the Governance Improvement Plan. Matters undertaken included:

- Recruitment of co-optees to add to the skills and experience of the Board two of the co-optees were accepted onto the Board in February 2024
- Recruitment of a Senior Independent Director role (appointed in November 2023)
- Delivering a Board and Leadership Team effectiveness program
- Roll out of 'Better Meetings' following the work of the Task and Finish Group
- Updating our Governance Policies and Procedures
- Recruitment of a Head of Governance
- Establishing a Tasks and Finish Group for a new Board software package
- Creation of the Group Chairs' Panel

Each year the Association reviews its compliance with the Code of Governance. Compliance is evidenced, with notes for actions needed and this is reported to the Board annually. Barcud is compliant with the Code.

**Information and Communications Technology**
During 2023/24 the association undertook a number of initiatives to improve its digital infrastructure. This included:

- Finalisation of the infrastructure consolidation programme to retire legacy servers and services.

- Development of our core housing IT system to meet the continuing demands of the organisation and changes in housing legislation.
- Introduction of an additional data back up and business recovery solution to help combat modern cyber security threats.

**Board Training and Attendance**
In 2023/24, on average, Board member attendance was 89%.
There were eleven meetings including business planning days and the Annual General Meeting.

Board members have attended training and conferences throughout the year:
Anti-Racism Training
i-Hasco Data Protection
i-Hasco Cyber Security
i-Hasco Equality, Diversity and Inclusion
i-Hasco Health and Safety Essentials
CHC One Big Housing Conference
TPAS Cymru - Boards & Tenants: creating stronger connections
CHC Annual Conference
CHC Board Member Network
CHC Governance Conference

**Environmental, Social and Governance**

**Environmental**
Barcud is committed to delivering the goals set by the Wellbeing of Future Generations Act 2015 in terms of reducing greenhouse gas emissions and helping to deliver on our Decarbonisation Strategy targets. We acknowledge that our activities, buildings and homes may have a direct or indirect impact on the local, regional and global environment and continue to work towards lowering our carbon footprint across the Group year on year.
Our Group Environmental & Sustainability policy sets out our commitment to improvements in environmental performance, the prevention of pollution in all its forms but particularly from greenhouse gas emissions.
To this end we are working to reduce fuel poverty in line with our Affordable Warmth policy objectives by increasing the thermal capacity of our dwellings, installing new green heating systems, solar panels and other energy efficiency measures. In the process we are creating jobs and business opportunities by investing in green technology through local energy efficiency supply chains. This helps to regenerate and support the cohesion and sustainability of our local communities.

We continue to work towards our resource efficiency agenda and accelerating a circular economy, promoting wherever we can, natural resource management and the implementation of the Environment Act 2021 in terms of air quality, biodiversity, water and waste in all our major construction projects and refurbishments.

**Social**
Barcud has two strategic objectives that relate directly to its social purpose as a social housing provider:
- To maximise the provision of affordable, energy efficient homes in mid and west Wales
- To be a bilingual, tenant focused landlord that works with partners to support the local economy, communities and tackles homelessness

Cartrefi Cymunedol Cymru | Community Housing Cymru

Barcud has signed up to the Community Housing Cymru sector wide affordability principles:

**Affordable:**
We will consider the total costs of renting homes and incomes to understand what is affordable for our tenants, and ensure that tenants have the greatest opportunity to sustain their tenancies and thrive.

**Sustainable:**
We will set rents that allow us to continue to provide high quality, safe, warm homes for the people who need them in the communities we serve.

**Engage:**
We will involve tenants to develop and review our approach to rent setting, and inform our decisions on rents.

**Fair:**
We will work to ensure that rents and other charges are set fairly and our homes and services represent value for money.

**Accountable:**
We will be open, transparent and accountable when we make decisions on rents.

**ESG Targets 2023/24**
Through our annual ESG report, we demonstrate our environmental responsibility, how our activities have a positive impact on people in our communities, as well as a robust governance framework.

During 2023/24, Barcud had two loan facilities that had ESG targets linked to the level of margin on the loans.
*These set the following ESG requirements.*

Environmental KPI 1 - the minimum Standard Assessment Procedure (SAP) rating for Barcud's new-build housing properties during the immediately preceding Financial Year.

| | |
|---|---|
| Target – SAP 87 | **Achieved – SAP 93** |

Environmental KPI 2 - the average Standard Assessment Procedure (SAP) rating of Barcud's housing properties for the immediately preceding Financial Year.

| | |
|---|---|
| Target – SAP 71.2 | **Achieved – SAP 71.2** |

KPI 3: 82% of a designated pool of existing properties will achieve an EPC-C (SAP 69 and above) rating by end of the financial year 2028.
Currently 68.46% of our affordable homes meet this target.

Social KPI 1 - the percentage number of Barcud's void properties offered on social housing rents to rough sleepers, homeless people and/or people at risk of homelessness during the immediately preceding Financial Year.

| | |
|---|---|
| Target – 15% | **Achieved – 42%** |

Governance KPI 1 - means Barcud's Governance rating with the Welsh Government.

| | |
|---|---|
| Target – Compliant | **Achieved – Compliant** |

# Reports

# Barcud Monitoring Group

**Chairman's Report**
Following on from our report of last year, the Barcud Monitoring Group (BMG) has continued to be exceptionally busy and I wish to begin by thanking the members for their ongoing voluntary commitment and selflessness. I also want to thank the Barcud team for providing us with a multitude of opportunities to present the tenants' views and recommendations on matters that are important to us as tenants of Barcud.

To truly demonstrate the BMG's voluntary contributions, dedication, and the breadth of our involvement with Barcud, we have taken a snapshot (below) of how we have supported Barcud's business within the last 12 months.

Grŵp Monitro barcud Monitoring Group

Finally, I want to thank all those who support us and our work and of equal importance the members of the BMG for placing their trust and confidence in me during the past year. Thank you.

Paul Clasby,
Chair, Barcud Monitoring Group.

| | |
|---|---|
| Barcud Policy and Strategy Reviews | 15 |
| Barcud Review and Planning Meetings | 14 |
| Hosting Barcud Tenant Forums / Conference | 3 |
| BMG Group Meetings | 11 |
| Tenant Liaison Panel | 11 |
| Telephone Surveys and Void Inspections | 4 days |
| WG Housing Regulator | 1 |
| Attended Tenant Participation Events | 4 |
| New Members Recruited | 4 |
| Proposals to Leadership Team and Board | 4 |
| Articles for Newsletter | 3 |
| Partnership Working (Ateb) | 1 |
| TPAS Cymru Events | 12 |

CYMDEITHAS GOFAL
THE CARE SOCIETY

**Chairman's Report**
The Care Society has had another strong year in terms of performance and this position has given the Board the opportunity to think about how we continue to develop our essential services for people living in mid Wales.

Our plans will no doubt consider the political shifts we have seen in Wales and across the UK, and the continuing pressure that is felt by so many in trying the manage their own cost of living. I have no doubt that the Board will want to continue championing the voices of the people we work with across the region, and doing our best to make sure we are a strong position to continue to provide as much support as we can.

As a Board we are regularly amazed at the stories of the positive impact The Care Society has had on people's lives, and as always this is down to our incredible colleagues who are so committed to making sure they live our values through everything they do. We always have been, and remain so immensely proud of you all.

I would like to thank the Board and colleagues of the wider Barcud Group for their continued support and dedication to the success of The Care Society and express my thanks to The Care Society Leadership

Team for the support they provide to the Board whilst carrying out their roles with such compassion and determination.

There are some other people who need a special mention this year, Steve Jones left his role as Chief Executive of The Barcud group in 2023 and he played a huge role in supporting the growth of The Care Society.

I could not possibly sign off without recording my thanks to Guy Evans. When I first met Guy over a decade ago, he lived and breathed The Care Society, and all this time later – that hasn't changed. There have been some very challenging times, but Guy's optimism and passion knows no bounds. Thank you, Guy, – you are an inspiration.

A P Hearn
Chair

**Executive Director's Report**
2023 / 2024 has been another busy year for The Care Society delivering services against the backdrop of a cost of living crisis which continues to affect the most vulnerable members of our communities. In this challenging environment, I am ever grateful to Care Society colleagues who continue to show resilience and compassion providing 24/7 services which positively improve the lives of our service users.

2023 / 2024 has also been a period of change for The Care Society including –

- Tendering for Housing Support Services within Ceredigion.
- Increasing existing Care Society services delivered in Powys and working with Barcud colleagues and Powys County Council with a view to developing future projects.
- Relocating the charity shop and shop mobility scheme whilst remedial works are executed at the Chalybeate Street premises.
- A change in Group Chief Executive. I would like to thank Steve Jones for his support of The Care Society over recent

| Achievements and Performance in 2023 / 2024 have included: |
| --- |
| Assisting 168 people into temporary emergency accommodation and increasing provision from 55 to 62 units |
| 50% moved from Temporary Accommodation into more appropriate secure accommodation. |
| 100% of all Temporary and Night Shelter residents registered with a doctors and dentist surgery. |
| 53 referrals to The Social Lettings Agency, |
| the provision of 93 units of accommodation |
| 70 live Bonds |
| 51 people assisted with Benefit enquiries |
| 367 assisted with management of rent |
| 198 assisted with property maintenance related queries |

| The Care Society provided tenancy support to: |
| --- |
| 116 single people |
| 87 families |
| 43 people with disabilities |
| 6 young people leaving care |
| 10 young people accommodated and supported through The Care Society Housing first for Youth Project |
| 66 individuals in temporary accommodation |

years and look forward to working with Jason Jones, our new Group CEO, to strengthen the interests of The Care Society, Barcud Group and the local community.

- The Care Society Bespoke Packages of Care service provided support for 72 individuals throughout Ceredigion and North Pembrokeshire.
- Assisted people to claim additional income / funding £83,877 (e.g. through the Vicars Relief Fund, Discretionary Housing Benefits, Personal Independence Payments, etc).
- 372 shop mobility scooter hires
- 103 wheelchair hires.
- Increasing the management portfolio in Powys from 5 to 9 to include 7 x Springboard Flats, 1 trainer flat for Children Looked After and 1 Emergency Accommodation Flat. The flats are located in Brecon, Machynlleth, Llandrindod Wells, Newtown and Welshpool.

£84k
additional income claimed for clients

Despite uncertainty, The Care Society continues to show resilience and commitment and the need for our services is more acute than ever. I would like to thank Barcud, our parent body, and future planning will be built upon our good working relationship and infrastructure support.

Guy Evans
Executive Director

**Chair's Report**
I am incredibly grateful for the commitment, dedication, and hard work of all EOM colleagues throughout 2023/24. Their efforts have ensured a good year-end surplus for the fourth consecutive year. Despite rising material prices, the increase was thankfully less significant than last year, and the markets have begun to stabilise, making most materials easier to obtain, although some still have long lead in times. We are thankful to Barcud for their continued support and for providing us with the bulk of our workload. Many thanks also to all our private clients for their work and positive feedback.

I am proud that EOM was able to sponsor two apprentices again this year and provide significant training across the business. EOM has continued its work with local schools and colleges, sponsoring various sports kits so that children in our communities could play their preferred sports as part of a unified team. EOM also saw development, with improved terms and conditions for colleagues, helping us retain our valued and skilled team members. A recent colleague survey highlighted the strong teamwork within the business and the excellent service our tradespeople provide.

Improving business efficiency is a top priority for the EOM Board. As part of our commitment to providing value for money, improving service, and minimising waste, our colleagues introduced a new stores module. This system allows our trades team to scan a QR code, and material costs are then coded against the job.

EOM won the Small Business Growth Award at the Powys Business Awards in November 2023, and was invited to speak at a business conference in Aberystwyth and various career fairs, and our General Manager participated in a Dragon's Den event at Newtown High School. One of our apprentices won Apprentice of the Year, team leaders gained leadership and management qualifications, various trades colleagues earned advanced qualifications in their respective trades, and two managers achieved their NEBOSH qualifications. Congratulations to all these colleagues for their achievements.

Towards the end of the financial year, we held a very successful business planning event, where Board members and Managers came together to discuss the future development of the business. Ambitious targets were proposed, and I look forward to seeing the business grow over the next five years. I am very grateful to my fellow Board Members for their commitment and drive over the past twelve months and look forward to working with them as the business continues to grow in the coming year.

*Richard Adrian Knight*
Chair

**Director's Report**
Despite the local employment market being quite buoyant, I am pleased to note that thanks to the Board's review of Terms and Conditions, we were able to retain our dedicated and loyal colleagues who have again worked very hard throughout 2023/24. This hard work and commitment ensured that our customer satisfaction levels were high, which is a reflection on the efficiency, cleanliness and quality of the work undertaken by our trades team. With their experience of working for Barcud and other clients, and all the work being done in the Community places EOM as an exemplar contractor in our area, and are very professional and highly trusted by our clients.

We have continued to invest in our colleagues, who are highly skilled and knowledgeable, and have undertaken a variety of work varying in value from £60 to over £600,000. We had more colleagues qualify as certified fire door installers, more apprentices achieved their qualifications, and who have now been retained as competent tradespeople in their own right.

As well as investing in our colleagues, we have also invested in new vehicles to improve our efficiency as well as reduce our carbon emissions, and are constantly looking at innovative solutions to improve business efficiency. Our bespoke stores module is working well and integrated with our IT system, and are looking at procurement efficiencies for the next financial year.

Turnover has continued to increase year on year and there are further aspirations to grow during the next five years. As well as turnover, our surplus levels have also increased as we were again able to invest more money back into the business. This last financial year proved to be quite stable with steady growth and numerous positive achievements that every colleague within the business is immensely proud of.

Our Board members provide a clear direction for the business and are very committed to EOM, and get a high level of personal satisfaction from watching the business become more stable and seek further growth opportunities. We would like to thank every Board member for their valued contributions during the last twelve months.

*Llŷr Edwards*
Group Director of Commercial Services

**2023/2024 Achievements**

- Winner of the Small Business Growth Award at the annual Powys Business Awards.
- Employer of the year at the Skills Academy Wales Awards Ceremony.
- One of our apprentices won "Apprentice of the Year" and EOM won "Employer of the Year" at the Skills Academy Wales Awards Ceremony.
- Staff successfully achieved their Installation and maintenance of sprinklers certificates. This allows EOM to offer a further service to customers.
- EOM was invited to speak at a business conference at Aberystwyth University's Innovation Centre in October. The day was attended by various businesses from Ceredigion, Powys and Carmarthenshire and University members. It was an ideal marketing opportunity to showcase the work that EOM had undertaken with LoRaWan technology and to promote the day to day core activities.
- EOM achieved outstanding Barcud Tenants' satisfaction levels regarding its service level and performance, as well as various compliment concerning courteous colleagues, quality of work and cleanliness.

| | ✔ | ✘ |
|---|---|---|
| Work completed first time? | 92% | 8% |
| Appointment offered | 89% | 11% |
| Convenient time for appointment? | 97% | 3% |
| Was the contractor/operative courteous, polite and helpful? | 98% | 2% |
| Was the work carried out in a clean and tidy way? | 98% | 2% |
| Needs considered? | 97% | 3% |
| Satisfied overall? | 96% | 4% |
| Average | 95% | 5% |

# Gofal a Thrwsio ym Mhowys
# Care & Repair in Powys

£48k
spent
on minor
adaptation
works

**Chair's Report**
Once again, we have made a really positive contribution to the lives of many of our clients, helping to increase their confidence and improve the quality of their lives on a daily basis. Our dedicated staff, working with our valued partners, have fitted a variety of adaptations that have really made a difference to clients' mobility and independence. One person who had heard of the excellent service we provide and came to see us in February was Julie Morgan MS and she was able to meet some of our Mamwlad clients, and hear first-hand what their experience was of this valuable service.

We are grateful again this year to the Welsh Government, Powys County Council and Powys Teaching Health Board for their continued support, as without their funding streams, we would not be able to assist so many frail, elderly and disabled people in Powys. We are also grateful for all the donations we have received, which top up these grant levels and ensure that we are able to provide a truly professional and responsive service.

£1.1m
spent on
medium and
large adaptation
works

The Board approved an increase in the marketing budget for this year, and this has allowed colleagues to work with a Welsh communications firm to produce very informative and heart-warming videos. These videos are being used to promote our services and will also hopefully strengthen our case for continued funding for existing services such as "Managing Better", "Mamwlad" and our core service; and may help with developing some of the services further as we see an increase in demand and other areas that need to be strengthened as a response to the changing needs of clients.

A decision was made to strengthen our team of minor adaptations officers, which proved to be a wise one as we saw a 16% increase in monthly referrals in the final quarter of the year compared to the same stage last year. This meant that whilst demand was increasing, our responsiveness was unaffected and we were able to maintain the appropriate support to clients throughout Powys. In total, the cost of minor adaptation works provided in 2023-24 was £479,179, which is a phenomenal amount, delivered by what is only a small team across the vast geography of Powys. In addition, a further £1,101,882 of works was carried out on medium and large adaptation works.

On a separate note, our internal auditors reviewed our health & safety arrangements in depth, and gave us substantial assurance that all was in place.

Financially we are in a strong position with the capability and desire to grow and develop the Agency to reflect the increase in demand and complexity of our services. The Board continues to review our live risk register at each meeting, as well as scrutinise the accounts to ensure that the business is run efficiently. We monitor our performance regularly and have a suite of Key Performance Indicators that are scrutinised at each Board meeting.

We have achieved a 99% satisfaction from those who provided feedback with the work that we completed, and 99% of clients who responded to our questionnaire last year stated that their confidence had been increased after receiving our services, and many had also recommended us to their friends and family.

In a recent colleague survey undertaken, 100% of colleagues felt proud to work for Care & Repair in Powys, and would recommend Care & Repair in Powys to their family and friends.

The Mamwlad project, which operates within the farming community across Powys, has been really popular, with significant demand from the farming community – a sector that is particularly hard to reach physically and geographically.

Our friendly Managing Better Caseworkers have continued to work with partners at Welsh Government, RNIB Cymru and Action on Hearing Loss Cymru to assist clients by furnishing them with information on hearing loss, falls prevention, undertaking home safety checks, giving benefits assistance and other support services. This is a valued service available across the whole of Powys and helps to keep clients independent.

The Casework service for Care & Repair in Powys has again been successfully assessed against the Advice Quality Standard (AQS). AQS is a national quality standard for advice services designed to ensure a service is well run and assures the quality of the information and advice services it provides. This is once again excellent news, and clients can be assured that the advice given is correct and un-biased. The casework services staff have managed to obtain benefits worth £374,506 during the year, an increase of over £169k from the previous year, which will have no doubt been much welcomed by their service users struggling with the ongoing cost of living crisis.

Our reputation continues to improve as we continue to be the go-to partner for adaptations in our vast county. This success would not be possible without our dedicated staff, so in my final report as the Agency's Chair, I wish to thank every member of staff for their hard work during the last twelve months, and also each Board Member. Board Members give their time voluntarily to the agency, and their wisdom, knowledge and dedication is greatly appreciated. I wish all those involved with Care & Repair in Powys continued future success.

*Julie Metcalf*
Chair

**Director's Report**

Hearing of the difference the work of Care & Repair in Powys makes to the lives of so many older and frail residents in Powys is so rewarding, and the YouTube videos produced capturing the experiences of a small number of our clients are all highly recommended viewings – There's Mrs Westwood, Mrs Ayling and Mr Pryce who kindly let us back into their homes so that they could share their experiences with others, and hopefully encourage others to reach out and seek help from our knowledgeable and dedicated team.

None of this work would be possible without the financial support from our partners, mainly Welsh Government and Powys County Council. This year, owing to the demand on our services, we had to request additional funding – which thankfully was granted. This additional funding allowed us to continue to make a difference and change the lives of so many clients. With demand on the services increasing year on year, we are very likely to be requesting the further funding again in the new financial year, so we can continue to give people the confidence to go upstairs, or just leave the house. Without this vital funding, may people become trapped in their own homes and the quality of their life deteriorates as they lose their dignity and self-respect. Often very small adjustments to their homes that are inexpensive can be life-changing; these small changes give our clients autonomy and help them to become less reliable on carers and external support, and often cost significantly less in support costs.

99%
customer satisfaction on works completed

Most colleagues are now "Trusted Assessors" so can undertake basic assessment of clients' needs, without having to call upon third party support, resulting in reducing the waiting time for a minor adaptation to be carried out.

We are grateful to Care & Repair Cymru, as we seek to work together identifying areas for each element of the companies to focus on. Care and Repair's new initiative Older not Colder is an example of that – which has afforded us a new caseworker service with a focus on energy efficiency advice, and how clients can stay warm during winter months. This service was very popular from its inception, and we hope that the funding will continue as long as the demand continues.

We work very closely with the Powys Teaching Health Board, and work with many other partners on the Mamwlad project with Age Cymru Powys to deliver the service and refer clients to DPJ Foundation, Tir Dewi and many others. Many thanks to all of our partners for their support. We also thank all the auctioneers, vet practices, and farm merchants who allow our leaflets to be circulated through them. All these partners see the benefits of the project, and how many people Mamwlad has been able to help. With the project now in its final year, we look forward to sharing the success of the project widely with the hope that it will become a core project that will be supported long-term in Powys.

Our Board members have continued to share their wisdom and knowledge with us and helped shape our success. We therefore wish to thank them all for their time and dedication in supporting our Agency.

*Llŷr Edwards*
Group Director of Commercial Services

**Achievements and Performance**

- 2023/24 was a successful year financially for CRP, resulting in a financial surplus which was added to reserves to ensure the agency continues to be financially resilient and viable.
- 1,128 people across Powys were helped by Care & Repair in Powys through the Rapid response Adaptations Programme funding, with 858 falls prevention measures installed
- The "Managing Better" service helping clients over 50, assisted 174 people, the "Mamwlad" project assisted 174 people and a further 683 were helped through our Core services.
- 45 clients were helped to claim benefits, worth over £182,000
- From the feedback we've received, we achieved 100% satisfaction across all work completed, and in 99% of cases we helped our clients gain their confidence and independence.
- High level of Performance in our annual evaluation from Care & Repair Cymru
- Our Capacity to undertake minor adaptations increased as we grew the minor adaptations team
- We were able to create YouTube videos to show examples of the difference we make to the lives of so many residents in Powys.

# Report of the Board of Management

The Board of Management present their report and the financial statements for the year ended 31 March 2024.

**PRINCIPAL ACTIVITIES**

Barcud is a not-for-profit Housing Association. As with all Registered Social Landlords (RSLs) in Wales, it is registered with and regulated by the Welsh Government.

The Association was formed for the benefit of communities in areas in which the Association owns or manages housing stock.

Barcud is registered under the Co-operative and Community Benefit Societies Act 2014 with charitable rules. The registered office is Unit 4, Pont Steffan Business Park, Lampeter, Ceredigion, SA48 7HH.

It is a body whose primary purpose is providing affordable rented housing to people in housing need. Barcud has three subsidiaries:

- Care & Repair in Powys, which provides support and assistance to elderly or disabled owner-occupiers, enabling them to continue to live in their own homes
- EOM, a private limited company which provides a repairs and maintenance service to Barcud's properties in Powys as well as a commercial service in the area
- The Care Society Cymdeithas Gofal whose principal activities are to promote social inclusion for the public benefit by preventing people from becoming socially excluded by reason of homelessness, support people at risk of losing their home, people living in inadequate accommodation or unsettled circumstances in Ceredigion and surrounding counties.

**FIXED & INTANGIBLE ASSETS**

Details of changes to Barcud's fixed assets are shown in notes 9 and 10 to the financial statements.

**PAYMENT OF CREDITORS**

Barcud agrees terms and conditions for its business transactions with suppliers at the time of supply. Payment is then made on these terms, subject to the terms and conditions being met by the supplier.

**INVESTING IN EMPLOYEES**

Motivated and committed employees are essential to achieving our aim of providing high quality services to our tenants, and the Board embraces the need for employees to be empowered and involved at every level of the organisation.

Barcud is committed to ensuring and promoting equality of opportunity for all in the services that it delivers and the way that those services are delivered, ensuring that differences are recognised. Barcud is also committed to ensuring equality for all its colleagues, as well as for applicants for employment.

Barcud is committed to responding to social diversity in today's society and strives to reflect this in its own organisational culture and through inclusive policies.

Development of colleagues is essential to growing the organisation. A structured approach to training and development is provided to enable colleagues to fulfil and develop their role within Barcud. This involves locally delivered in-house training courses, one-off courses of a specialist nature and training associated with the implementation of business systems. Barcud also supports people undertaking external courses and professional qualifications appropriate to business needs.

**HEALTH AND SAFETY**
The Board is aware of its responsibilities for all matters relating to health and safety. Barcud has detailed health and safety policies, complies with its statutory duties and provides colleague training and education on health and safety matters. Compliance is monitored through meetings of the Health & Safety Forum, Audit and Risk Committee, Projects and Performance Committee and the Board.

**BOARD MEMBERS AND DIRECTORS**
The Board members and Leadership Team who served during the year and to the present date are set out on pages 12, 13; 46 and 47. As of 31 March 2024, the Board was made up of 11 members and 1 Coopete, to complement existing skills and experience. An assessment has been made of members' skills and experience to ensure that the Board continues to carry out its role effectively.
The Directors are the Chief Executive and any other person who is a member of Barcud's Leadership Team. The Directors are not Board members, hold no interest in Barcud's shares and act as executives within the authority delegated by the Board.
Barcud has insurance policies, which indemnify its Board members and Directors against liability when acting for Barcud.

**REMUNERATION**
*Policy*
The Board is responsible for agreeing the remuneration level of its Directors. It agrees the appointment of Directors and their remuneration, as well as the brief within which the Chief Executive can negotiate staff salaries.
The Board pays close attention to remuneration levels in the sector in determining the remuneration packages of the Directors. Salaries are set having regard to each Director's responsibilities and pay levels for comparable positions.
*Pensions*
The Directors are members of the Local Government Pension Scheme (a defined benefit final salary pension scheme), Royal London Pension Scheme (a defined contribution scheme) or Social Housing Pension Scheme (a defined contribution scheme). They participate in the scheme on the same terms as all other eligible staff and Barcud contributes to the scheme on behalf of its employees.
Conditions of employment
The Directors are employed on the same terms as other colleagues, although their notice period is between 3 and 6 months.

**TENANT INVOLVEMENT**
Barcud recognises that working in partnership with our tenants is the best way of ensuring that we deliver services that tenants want and value. We believe that effective and meaningful tenant involvement is the best way of knowing whether services are being provided to the quality that tenants are entitled to expect. We actively encourage tenants` involvement in decision-making by offering a wide range of options, including a variety of satisfaction surveys and in person events.

**INTERNAL CONTROLS ASSURANCE**
The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, and not absolute, assurance against material misstatement or loss. The Board receives and considers reports from Directors and management on risk management and control arrangements during the year.
The arrangements adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the assurance framework, include:
*Identifying and evaluating key risks*
Barcud has a risk management strategy, setting out the Board's attitude and responsibility towards risk in the achievement of its objectives.
*Control environment and internal controls*
The processes to identify and manage the key risks to which Barcud is exposed are an integral part of the internal control environment. Such processes include strategic planning, the recruitment of Directors and senior staff, regular performance monitoring and the setting of standards and targets for key operational areas.
*Information and reporting systems*
Financial reporting procedures include

detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed, approved and monitored throughout the year by the Board. The Board and Committees regularly receive reports on Key Performance Indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

*Monitoring arrangements*

Regular management reporting on control issues provides assurance to management and to the Board. It is supplemented by regular internal audit reviews, which provides independent assurance to the Board via its Audit and Risk Committee. The arrangements include a procedure, monitored by that Committee, for tracking the progress of implementation of recommendations. If any issues arise, these are reported to the Board.

**INTERNAL FINANCIAL CONTROLS**

The Board bears responsibility for ensuring that the organisation operates a secure control environment. The controls serve to give reasonable assurance with regard to:

- the reliability of financial information used within the Group and for publication
- the maintenance of proper accounting records
- the safeguarding of assets against unauthorised use.

The Board is responsible for establishing and maintaining systems of internal financial control. Such systems cannot provide categorical assurance against material financial misstatements or loss, but can be expected to provide reasonable assurance.

Key elements in ensuring a secure environment include:

- the presence of formal policies and procedures
- clear delegation of authority
- a suitable level of experienced and suitably qualified staff
- proper performance appraisal
- the preparation and monitoring of forecasts and budgets including stress testing and identifying mitigations
- suitable authorisation of major commitments which might put the Group at risk
- a robust and independent internal audit service, reporting appropriately to members, with suitable follow up mechanisms in place.

The Audit and Risk Committee has reviewed the effectiveness of the system of internal control in the Group for the year ended 31 March 2024. No weaknesses were found in internal financial controls, which resulted in material losses, contingencies, or uncertainties, which require disclosure in the financial statements, or in the auditors' report on the financial statements, and the Board is not aware of any such weaknesses from 1 April 2023 to date.

**GOING CONCERN**

After making enquiries, the Board has a reasonable expectation that Barcud has adequate resources to continue in operational existence for the foreseeable future; being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

**STATEMENT OF BOARD OF MANAGEMENT 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 require the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of Barcud and of the income and expenditure of Barcud for that period. In preparing these financial statements, the Board is required to:

select suitable accounting policies and apply them consistently

make judgments and estimates that are reasonable and prudent

state whether applicable accounting standards and the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP) have been followed, subject to any material departures disclosed and explained in the financial statements

prepare the financial statements on a going concern basis unless it is inappropriate to presume that Barcud 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 Barcud and enable it to ensure that the financial statements comply with the relevant legislation. The Board is also responsible for maintaining an adequate system of internal control and safeguarding the assets of Barcud and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO THE AUDITOR**

At the date of making this report each of the Barcud Board members, as set out on pages 46 and 47, confirm the following:

- so far as each Board member is aware, there is no relevant information needed by the Barcud Auditor in connection with preparing their report of which the auditor is unaware, and
- each Board member has taken all the steps that they ought to have taken as a Board member in order to make themselves aware of any relevant information needed by the Barcud auditor in connection with preparing their report and to establish that Barcud auditor is aware of that information.

Approved on 31 July 2024 and signed on its behalf by:

Alison Thorne
Chair of the Board of Management

# Governance

Barcud uses the sector's Code of Governance as guidance, which focuses on seven principles;

1. Organisational Purpose
The board is clear about the organisation's aim and ensures that these are being delivered effectively and sustainably

2. Leadership
Every organisation is led by an effective board that provides strategic leadership in line with the organisation's aims and values

3. Integrity
The board acts with integrity. It adopts values, applies ethical principle to decisions and creates a welcoming and supportive culture which helps achieve the organisation's purposes. The board is aware of the significance of the public's confidence and trust in the organisation. It reflects the organisation's ethics and values in everything it does. Board members undertake their duties with this in mind.

4. Decision Making, Risk and Control
The board makes sure that its decision-making processes are informed, rigorous and timely, and that effective delegation, control, risk assessment and management systems are set up and monitored. The needs and safety of the organisation's current and future tenants, and others that it serves, are placed at the heart of decision-making.

5. Board Effectiveness
The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

6. Equality, Diversity and Inclusion
The board has a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the organisation and in its own practice. This approach supports good governance and the delivery of the organisation's purposes.

7. Openness and Accountability
The board leads the organisation in being transparent and accountable. The organisation is open in its work, unless there is good reason for it not to be.

Good governance enables and supports an organisation's compliance with relevant legislation and regulation. It also promotes attitudes and a culture where everything works towards fulfilling the organisation's vision. The Board leads on governance, but good governance involves the whole organisation from top to bottom. Barcud has assessed itself against the Code and is comfortable it applies the seven principles throughout the organisation.

Barcud received its annual regulatory judgement from Welsh Government in July 2022.
The judgement stated:
Governance and Tenant Services - Compliant
The Association meets the regulatory standards and will receive routine regulatory oversight.
Financial Viability - Compliant
The Association meets the regulatory standards and will receive routine regulatory oversight.

BOARD ASSURANCE
Financial Information - Welsh Government Regulatory Framework - Projects and Performance
Committee - Governance and Remuneration Committee - Policies and
Procedures - Audit and Risk Committee - Strategic Planning - Tenant Scrutiny - Operational Management

FUNDERS ASSURANCE
30 Year Financial Plan and Stress Testing - Annual Review Meeting - Quarterly Management Accounts - Covenant Compliance Certification

# Board Members

**Alison Thorne** Chair of the Barcud Board
Alison is an experienced Non-Executive and Chair, having chaired a wide range of committees and currently Chairs the National Dance Company of Wales and previously Chaired Chwarae Teg. She is currently the Senior Independent Board member for the WRU and builds on her equality work as the Wales Lead for Women on Boards and as an Independent Panel Member for Public Appointments for the Welsh Government.

**Kaye Law-Fox** Senior Independent Director
Kaye is an experienced Chair with over 20 years' experience in public sector executive and senior management roles. Kaye's knowledge of the social housing sector and governance expertise led to her appointment as Senior Independent Director and Chair of Barcud's Governance and Remuneration Committee. Kaye also Chairs Gloucestershire Managed Services, the wholly owned subsidiary estates, facilities and capital delivery company of Gloucestershire Hospitals NHS Foundation Trust and is an Associate Non-Executive Director of the Trust.

**Mererid Boswell**
Mererid is the Head of Finance and Corporate Services at the National Library of Wales. As a chartered accountant with experience of finance in the charity and public sector, Mererid's financial skills are well utilised as a member of the Audit and Risk Committee and EOM Board. Mererid is a fluent Welsh speaker.

**David Hall**
David is the Group Head of Property for the Wrekin Housing Group. With nearly 30 years' experience in social housing in the delivery of asset management, property health and safety, property retrofit, procurement, and housing development, and sitting on the both the CIH Asset Management and the NHF Building Safety Groups.  David's skills are a valuable addition to the Audit and Risk Committee and the EOM Board.

**Siobhan Johnson**
Siobhan is a Senior Human Resources and organisational development professional and is a Chartered Member of the CIPD and with over 15 years' experience working in and alongside the housing sector in Wales and England). Siobhan's human resources and cultural change skills, together with her passion for equality, diversity and inclusion are well suited to her roles on the Governance and Remuneration, and Audit and Risk Committees.

**Dafydd Lewis** (Co-optee)
Dafydd is a former Corporate Director for Gwynedd Council having had responsibility for housing, adult social care, health & well-being and community safety partnerships. Dafydd brings his skills to the Projects and Performance Committee and Care and Repair in Powys Board. Dafydd is a fluent Welsh speaker.

**Wyn Jones**
Wyn is a Fellow of the Royal Institution of Chartered Surveyors, Member of the Chartered Institute of Arbitrators and a Member of the Expert Witness Institute. He is also an experienced developer and an RICS registered Expert Witness, Accredited Valuer, Arbitrator, and Independent Expert. Wyn also holds office as a Chair of the First-tier Tribunal Property Chamber, Government appointed Chair on the Welsh Valuation Tribunal and Lord Chancellor's appointed member of both English and Welsh Agricultural Land Tribunals. Wyn's skills are well suited to his roles on the Projects and Performance Committee and EOM Board.

**John Rees**
John is Head of Finance at Plymouth Community Homes and a Chartered Certified Accountant. John's financial and risk management experience within the social housing sector led to his appointments as Chair of the Audit and Risk Committee and Vice Chair of The Care Society Board. John is an active Welsh learner with links to the Ceredigion area.

**Carina Roberts**
Carina has over 30 years' experience of leading in the housing sector, and experience in partnership working with public and private sector organisations. Carina's knowledge of social housing and extra care provision are a valuable addition to the Projects and Performance Committee and the Care and Repair in Powys Board. Carina is a fluent Welsh speaker.

**Enid Roberts**
Enid is a self-employed Management Consultant with experience of working in Local Government on ICT and Project Management. Enid is a Chartered Fellow of the Chartered Management Institute and the British Computer Society. Enid's project management and data analysis skills are well suited to her roles as Chair of the Projects and Performance Committee, member of the Governance and Remuneration Committee and Audit and Risk Committee. Enid is a fluent Welsh speaker.

**Catherine Shaw** (Stepping down September 2024)
Catherine is a former modern languages student who studied at Aberystwyth University. Catherine has lived experience of being a tenant and has extensive experience of tenant involvement and equality, diversity and inclusion. Catherine's skills have been well utilised on the Boards of Care and Repair in Powys, and The Care Society. Catherine is a keen Welsh learner.

**Richard Woolley**
Richard is a Chartered Certified Accountant and former Chief Executive of Connexus Homes. He has over 30 years' experience in the social housing sector at organisations including both large-scale voluntary transfers and traditional housing associations in roles such as Director of Resources and Group Chief Accountant as well as a Chief Executive for almost five years. With a strong finance, governance and strategic housing background, Richard is a valued member of both the Projects and Performance Committee and The Care Society Board, in addition to his Group Board member role.

**Resignations**
Cadwgan Thomas - resigned 21/09/2023
Stephen Cripps - resigned 21/09/2023

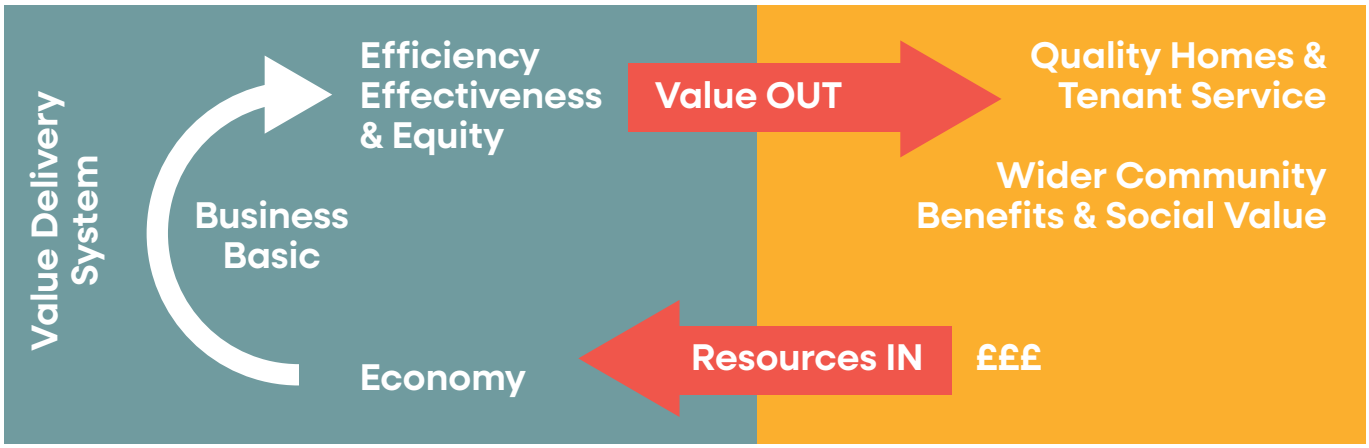
**Board Diversity**

| | | | |
|---|---|---|---|
| Gender | Male **7** | Female **5** | |
| Age | Under 45 **1** | 45 to 65 **10** | Over 65 **1** |

# Value for Money

The aim is to work collaboratively, harnessing the innovation and creativity of our people, tenants and stakeholders to deliver improvements in efficiency, effectiveness, equity and economy to deliver services that meet the needs of our tenants.

**We use the CHC model for understanding value for money in Wales:**




**We instil a culture of Value for Money (VfM) in Barcud by:**

- Using our team meeting infrastructure to talk about VfM regularly with all colleagues.
- Sharing best practices and learning lessons across the organisation to help drive improvements.
- Engaging with tenants on activities of spend (including large tenders) to ensure we are maximising benefit and doing the things that matter to them.
- Proactively addressing any dips in performance by regularly reviewing action plans, performance indicators and benchmarking information.
- Scanning the external environment for examples of good practice, accreditations and awards that will improve our service delivery or enhance our reputation.
- Tracking our savings (cash and non-cash).

**Social Value**

Social value involves looking beyond the price of each individual contract and looking at the collective benefit to a community. Social value asks the question: 'If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?'

Actions we are taking to maximise our social value are:

- Using social value indicators considering sector best practice and feedback from tenants.
- Encouraging employment and enterprise opportunities through our externally awarded contracts, with a particular emphasis on local suppliers and supporting the Welsh Economy. This will in turn reduce our carbon footprint.
- Committing to supporting community projects through grants and volunteering placements wherever possible.
- Encouraging local and regional partnerships.

| Barcud two year VfM summary | 2024 | 2023 |
|---|---|---|
| Management costs per social housing unit | £1,358 | £1,129 |
| Reactive costs per social housing unit | £1,466 | £1,474 |
| Major repairs & components per social housing unit (including deprecation and impairment) | £1,679 | £1,789 |
| Bad debt costs per social housing unit | £80 | £7 |
| Weighted average cost of capital | 3.52% | 3.34% |
| Gross arrears/social housing turnover | 3.89% | 3.40% |
| Rent per social housing unit | £5,773 | £5,902 |
| Rental void loss per social housing unit | £92 | £73 |
| Rental void loss per social housing unit | £92 | £73 |

# Income and Expenditure

| MONEY IN 2023/24 | £'000 |
|---|---|
| Rent and Service Charges | 24,647 |
| Supporting People Grant | 266 |
| Welsh Government Dowry | 1,600 |
| Social Housing Grant | 24,786 |
| Other Grants | 219 |
| Sale of Housing Properties | 172 |
| Feed in Tariff | 24 |
| Other Income | 187 |
| Interest Received | 670 |
| **Total** | **52,571** |

| MONEY OUT 2023/24 | £'000 |
|---|---|
| Management and Service Costs | 6,229 |
| Day to Day Repairs | 7,304 |
| Improving Homes | 6,441 |
| Purchase Existing Properties | 1,503 |
| New Homes | 28,125 |
| Interest Payable on Loans | 3,719 |
| Other Costs | 2,842 |
| **Total** | **56,163** |

# Financial Review

Barcud reported a surplus of £2.9m for the year ended 31 March 2024 on a total turnover of £29.1m. An operating margin of 19.96% was achieved.
The results for the period and for 2022/23 are summarised in the table below:

| **Financial Highlights – Two Year Summary** | | **Barcud Results** |
|---|---|---|
| **For the year ended 31 March** | **2024** | **2023** |
| **Statement of Comprehensive Income** | **£'000** | **£'000** |
| Total turnover | 29,127 | 27,818 |
| Income from Social Housing lettings | 27,686 | 26,086 |
| Depreciation | 5,632 | 5,316 |
| Amortisation | 1,173 | 1,072 |
| Interest payable | 3,719 | 3,483 |
| Operating surplus | 5,814 | 7,342 |
| | | |
| **Statement of Financial Position** | **£'000** | **£'000** |
| Fixed assets, at depreciated costs | 274,930 | 244,273 |
| Social Housing and other grants | 126,558 | 99,150 |
| Net current assets | 6,403 | 2,941 |
| Long term loans | 102,921 | 103,619 |
| **Total reserves** | **35,630** | **32,788** |

# Financial Risks

Barcud's activities expose it to a number of financial risks.

**Cashflow Risk**
One of the main risks is the possibility of interest rate changes. As at 31st March 2024, Barcud had 90% of its loan liabilities on a fixed interest rate. Another risk is the loss of income because of the cost of living crisis, differential inflation and changing of the rent setting policy. Loss of the Welsh Government £1.6m gap funding is also a risk, although it is guaranteed on a rolling two-year basis. There are internal controls in place such as regular stress testing and mitigation work on the business plan and prudency when setting budgets.

**Credit Risk**
Barcud's principal assets are bank balances and cash, rent arrears and other receivables. The amounts presented in the Statement of Financial Position are net of allowances for bad debts. The association fully provides for former tenant arrears except where recovery is assessed as likely. Provision against current tenant arrears is based on the aged profile of the amounts due. There is no significant concentration of credit risk, with exposure spread over a large number of counterparties and tenants.

**Liquidity Risk**
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, Barcud uses a mixture of long term and short-term finance. A major refinancing exercise in 2021/22 of £50 million and a £20m revolver facility means Barcud has sufficient liquidity for the next 2 years as a minimum.

# Independent Auditor's Report to the Members of Barcud Cyf

## Opinion

We have audited the financial statements of Barcud Cyf (the parent association) and its subsidiaries (the group) for the year ended 31 March 2024 which comprise the group and parent association's Statement of Comprehensive Income, the group and parent association's Statement of Financial Position, the group and parent association's Statement of Changes in Reserves, the group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

## Basis for opinion

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

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

## Other information

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

We have reviewed the Board's statement on the association's compliance with the Welsh Government circular RSL 02/10 'Internal controls and reporting'. We are not required to express an opinion on the effectiveness of the association's system of internal control.

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.

## Opinion on other matters prescribed by the Welsh Government circular RSL 02/10 'Internal controls and reporting'

In our opinion, based on the work undertaken in the course of the audit with respect to the Board's statement on internal control:

- the Board has provided the disclosures required by the Welsh Government circular RSL 02/10 'Internal controls and reporting'; and
- the statement is not inconsistent with the information of which we are aware from our audit work on the financial statements.

## Matters on which we are required to report by exception

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

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

## Responsibilities of the Board

As explained more fully in the Statement of Board of Management Responsibilities, set out on page 32, 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 determines 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 is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard.

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

## 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.

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

- We obtained an understanding of laws and regulations that affect the group and parent association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the group's activities and the regulated nature of the group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

## Use of the audit 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 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers, Statutory Auditor
The Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT
28/08/2024

# Group and Association Statement of Comprehensive Income

*For the year ended 31 March 2024*

| | Note | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|---|
| **TURNOVER** | 2a | 32,092 | 30,765 | 29,127 | 27,818 |
| Less: Operating costs | 2a | (26,066) | (22,439) | (23,485) | (20,103) |
| : Cost of Sales | | - | (373) | - | (373) |
| Surplus on disposal of housing properties | 3 | 172 | - | 172 | - |
| **OPERATING SURPLUS** | 2a | 6,198 | 7,953 | 5,814 | 7,342 |
| Gift Aid | | - | - | 140 | 147 |
| Interest receivable | | 678 | 223 | 670 | 220 |
| Interest and financing costs | 7 | (3,719) | (3,483) | (3,719) | (3,483) |
| **SURPLUS FOR THE YEAR** | 4 | 3,157 | 4,693 | 2,905 | 4,226 |
| Tax on profit | | (21) | - | - | - |
| **SURPLUS FOR THE YEAR AFTER TAX** | | 3,136 | 4,693 | 2,905 | 4,226 |
| Actuarial gains/(losses) on pension scheme | 21 | (67) | 4,764 | (67) | 4,764 |
| Property revaluation | 10 | 15 | 30 | 4 | 1 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | 3,084 | 9,487 | 2,842 | 8,990 |

# Group and Association Statement of Financial Position

*As at 31 March 2024*

| | Note | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible Assets | 8 | 606 | 669 | 576 | 609 |
| Housing properties - Gross cost less depreciation | 9 | 266,302 | 235,932 | 266,302 | 235,931 |
| Other property, plant and equipment | 10 | 7,561 | 6,970 | 6,278 | 5,966 |
| Investment property | | 265 | 265 | - | - |
| Investments | 11 | 763 | 756 | 1,774 | 1,767 |
| | | 275,497 | 244,590 | 274,930 | 244,273 |
| **CURRENT ASSETS** | | | | | |
| Inventories | 12 | 282 | 332 | 106 | 107 |
| Debtors | 13 | 15,448 | 16,924 | 14,659 | 16,429 |
| Cash and cash equivalents | | 18,818 | 25,329 | 17,298 | 23,449 |
| | | 34,548 | 42,586 | 32,063 | 39,985 |
| **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR** | 14 | (28,856) | (37,231) | (25,660) | (37,044) |
| **NET CURRENT ASSETS** | | 8,692 | 5,355 | 6,403 | 2,941 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 284,189 | 249,945 | 281,333 | 247,214 |
| Pension asset/(liability) | 21 | - | - | - | - |
| **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR** | 15 | (245,860) | (214,700) | (245,703) | (214,426) |
| **NET ASSETS** | | 38,329 | 35,245 | 35,630 | 32,788 |
| **CAPITAL AND RESERVES** | | | | | |
| Non-equity share capital | 16 | - | - | - | - |
| Revenue Reserves | | 38,329 | 35,245 | 35,630 | 32,788 |
| | | 38,329 | 35,245 | 35,630 | 32,788 |

The financial statements on pages 55 to 84 were approved by the Board on 31st July 2024 and were signed on its behalf by:

**Alison Thorne**
Chair

**John Rees**
Board Member

**Margaret Anderson**
Interim Group Director of Corporate Services

# Group and Association Statement of Changes in Reserves

*For the year ended 31 March 2024*

## *Group Statement of Changes in Reserves*

| | Revenue reserves £'000 |
|---|---|
| At 1 April 2022 | 25,758 |
| Surplus for the year | 4,693 |
| Actuarial surplus in respect of pension schemes | 4,764 |
| Surplus on the revaluations of Freehold Property | 30 |
| At 31 March 2023 | 35,245 |
| At 1 April 2023 | 35,245 |
| Surplus for the year | 3,136 |
| Actuarial surplus in respect of pension schemes | (67) |
| Surplus on the revaluations of Freehold Property | 15 |
| At 31 March 2024 | 38,329 |

## *Association Statement of Changes in Reserves*

| | Revenue reserves £'000 |
|---|---|
| At 1 April 2022 | 23,798 |
| Surplus for the year | 4,226 |
| Actuarial surplus in respect of pension schemes | 4,764 |
| At 31 March 2023 | 32,788 |
| At 1 April 2023 | 32,788 |
| Surplus for the year | 2,905 |
| Actuarial gain in respect of pension schemes | (67) |
| Surplus on the revaluations of Freehold Property | 4 |
| At 31 March 2024 | 35,630 |

# Group Statement of Cash Flows

*For the year ended 31 March 2024*

| | Note | 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| **Net cash generated from operating activities** | A | 9,299 | 11,604 |
| **Cashflows from investing activities** | | | |
| Purchase of property, plant and equipment | | (36,910) | (28,928) |
| Proceeds from sale of property, plant and equipment | | 369 | 505 |
| Grants received | | 24,318 | 27,621 |
| Interest received | | 669 | 223 |
| Property revaluation | | (15) | (30) |
| **Net cashflow from investing activities** | | (11,567) | (608) |
| **Cash flows from financing activities** | | | |
| Finance costs paid | | (3,382) | (2,898) |
| New loans | | 2,750 | 10,000 |
| Repayment of borrowings | | (3,553) | (776) |
| **Net cash flow from financing activities** | | (4,184) | 6,326 |
| **Net increase/(decrease) in cash and cash equivalents** | | (6,450) | 17,231 |
| Cash and cash equivalents at the beginning of the year | | 25,329 | 8,009 |
| Cash and cash equivalents at the end of the year | | 18,788 | 25,239 |
| **A Net cash generated from operating activities** | | | |
| Operating surplus for the year | | 6,054 | 7,997 |
| Adjustment for non cash items: | | | |
| Depreciation of fixed assets | | 6,015 | 5,420 |
| Amortisation of government grants | | (1,177) | (1,073) |
| Proceeds from sale PPE | | (221) | (55) |
| Decrease/(increase) in inventories | | 51 | 224 |
| Decrease/(increase) in debtors | | (1,722) | (1,596) |
| Increase/(decrease) in creditors | | 299 | 599 |
| **Net cash generated by operating activities** | | 9,299 | 11,604 |

# Group Statement of Cash Flows

*For the year ended 31 March 2024*

## *Free Cashflow for the Year*

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Net cash generated from operating activities | 9,526 | 11,604 |
| Interest paid | (3,333) | (2,898) |
| Interest received | 669 | 223 |
| **Adjustment for reinvestment in existing properties** | | |
| Component replacements | (5,584) | (7,102) |
| Purchase of other replacement fixed assets | (228) | (319) |
| **Free cash generated before loan repayments** | 1,050 | 1,508 |
| Loans repaid (excluding revolving credit and overdrafts) | (3,553) | (776) |
| **Free cash generated after loan repayments** | (2,503) | 732 |

## 1. ACCOUNTING POLICIES

Barcud is registered under the Co-operative and Community Benefit Societies Act 2014 and is a Registered Social Landlord, which has adopted charitable rules.

Barcud Cyf is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

### (a) Accounting convention

The financial statements are prepared under the historical cost convention, in accordance with the Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

### (b) Basis of consolidation

The group financial statements comprise of the combined results of Barcud Cyf and its subsidiaries.

### (c) Going concern

Barcud Group's financial statements are prepared on a going concern basis.

An assessment of going concern is made, by the Board, as part of the preparation of the annual Financial Statements, to confirm that the use of this basis is still appropriate. Disclosure of any relevant events or conditions which might significantly impact on this decision and the plans to deal with them as required are included in these Financial Statements.

### (d) Turnover

Turnover represents rental and other income receivable (net of losses from voids), income from property sales, and revenue grants receivable. It also includes grants reimbursing specific expenditure on the improvement programme.

Rental income is recognised from the point of properties under development reaching practical completion or otherwise becoming available for letting, net of any voids.

Turnover in EOM Ltd for maintenance works is recognised when significant risks and rewards of ownership have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be or to be incurred in respect of the transaction can be measured reliably. This is usually on completion of work.

### (e) Gift Aid

Any surpluses in the trading entity are gift aided to the parent at the discretion of the Board.

### (f) Property, plant and equipment - housing properties

Housing properties are stated at cost, less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs and borrowing costs directly attributable to the construction of new housing properties during the development. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete. Capitalisation will only incur when expenditure results in an increase to the economic performance of the asset. To increase an asset's performance, expenditure must result in one or more of the following occurring:

- Increased rental income
- A reduction in future maintenance costs
- A significant extension to the life of the property

Individual items purchased over £2,500 are capitalised in the consolidated Statement of Financial position.

#### i. Leaseholders

Where the rights and obligations for improving a housing, property reside with the leaseholder or tenant, any works to improve such properties incurred by the Association is recharged to the leaseholder and recognised in the consolidated Statement of Comprehensive Income

along with the corresponding income from the leaseholder or tenant.

ii. **Shared ownership properties**
Shared ownership properties under construction are proportionally split between current and fixed assets, determined by the percentage of the properties to be sold under the first tranche sales.

iii. **Investment properties**
The classification of properties as investment property or housing is based on the intended use of the property. Properties held to earn commercial rentals or for capital appreciation are both classified as investment properties. Properties that are used for administrative purposes or held for the provision of social housing are treated as Housing Properties. Mixed use property is separated between investment property and housing property. Tŷ Canol is recognised as investment property within Barcud Group.

## (g) Depreciation

i. **Freehold land** is not depreciated.

ii. **Intangible assets** are stated at historic cost or valuation, less accumulated amortisation and any provision for impairment. Amortisation is provided on all Intangible assets at rates calculated to write off the cost or valuation of each asset on a straight-line basis over its expected useful life, as follows:
Computer software - 5 years

iii. **Housing properties**
Buildings are separated into major components which have substantially different economic useful lives. Depreciation is charged so as to write down the gross book value of the component to its estimated residual value on a straight-line basis.

In line with the requirements of the SORP, improvements to housing properties are depreciated to write off the historical cost less the residual value on a systematic basis over their estimated useful lives.

The depreciable amount is arrived at on the basis of original cost, less any residual value. The major components other than the residual property element are depreciated over the following lives:

| Component | Lifecycle |
|---|---|
| Structure (including timber framed buildings) | 100 years |
| Roof – pitched / concrete | 60 years |
| Roof – other | 20 years |
| Insulation | 30 years |
| Windows and doors | 30 years |
| Electrical rewire | 30 years |
| Lift | 25 years |
| Bathroom | 25 years |
| Kitchen | 20 years |
| Heating systems | 30 years |
| Central heating boilers | 20 years |
| Physical adaption equipment | 25 years |
| Play equipment | 15 years |

Properties held on long leases are depreciated over their estimated useful economic lives or the lease duration if shorter.

Depreciation is charged in the year of purchase, pro-rata to the month of purchase or final completion date if relating to a development contract for refurbishment or new build.

iv. **Other fixed assets**
Non-housing property is divided into Offices, Commercial Units and Plant and Equipment for the purposes of carrying value on the consolidated Statement of Financial Position;

Freehold land is not depreciated.

The principal lives used for other assets are:

| Component | Lifecycle |
|---|---|
| Freehold properties | 50 years |
| Commercial properties | 50 years |
| Office Improvements | 5 years |
| ICT Hardware | 5 years |
| Motor Vehicles/Other | 5 years |

v. **Investment properties**
Investment properties are measured at fair value annually with any change recognised in the consolidated Statement of Comprehensive Income.

**vi. Impairment**

Reviews for impairment of housing properties are carried out on an annual basis or if an indication of impairment exists, any impairment in an income generating unit (such as tenanted rented property) is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use. Barcud checks annually for any indication of impairment by reference to:

- Trends in void rates and letting of stock;
- Advice from external valuers regarding their expectations of the value of stock.

Impairment reviews are carried out on the investment properties as noted in vi.

## (h) Inventories

Inventories are stated at the lower of their cost or net realisable value.

## (i) Taxation

**Value Added Tax (VAT)**

All income is shown net of VAT and expenditure is shown inclusive of irrecoverable VAT. The sale of newly constructed properties (or the first transfer of major interest in any property) is within the scope of VAT, albeit at 0%.

Barcud has a VAT Shelter in place, for the properties transferred to Tai Ceredigion from Ceredigion County Council approved by HMRC. The VAT Shelter has an unlimited lifespan for the first cycle works to be completed on the properties included in the transfer.

Under the transfer agreement Ceredigion County Council transferred the properties to Tai Ceredigion together with an obligation to undertake the WHQS works at the Council's expense. The price paid for the properties was £71,524,223 (excluding VAT); this price reflects the tenanted market value of the stock which is nil and the estimated value of the works of £71,524,223 (excluding VAT).

**Corporate Tax**

Barcud and its subsidiaries, Care & Repair in Powys and Cymdeithas Gofal (The Care Society) are not generally liable for Corporation Tax due to their charitable status. However, if the non-charitable activities threshold for Corporation Tax is reached, Corporation Tax will become liable.

EOM Limited does not have charitable status and so the following is required:

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## (j) Pension Costs

Barcud contributes to one defined benefit scheme and three defined contribution schemes.

Barcud is a contributing member of the Dyfed Pension Fund, a local government pension scheme which is a multi-employer scheme where it is possible for individual employers as admitted bodies to identify their share of the assets and liabilities of the pension scheme. This scheme is closed to new entrants. For this scheme the amounts charged to operating surplus are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the defined benefit liability) are recognised immediately in Total Comprehensive Income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of Barcud, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at

least triennially and are updated at each Statement of Financial Position date.

Barcud also participates in three defined contribution pension schemes the Social Housing Pension Scheme (SHPS) administered by the Pensions Trust, NEST and Royal London. Contributions payable for the year are charged to the Statement of Comprehensive Income.

**New Employees**

New employees are auto enrolled into SHPS or NEST, both of which are defined contribution pension schemes. Contributions payable for the year are charged as part of staff costs in the Statement of Comprehensive Income.

### (k) Operating Leases

Rental payments under operating leases are charged to the Statement of Comprehensive Income.

### (l) Sale of Housing Properties

Whilst it is not the general intention of Barcud to dispose of housing stock, properties can be sold for a number of reasons.

Barcud may sell vacant properties as part of its ongoing asset management strategy or where economic arguments justify sale.

The surplus or deficit on the disposal of housing properties held as fixed assets is accounted for in the Statement of Comprehensive Income.

### (m) Social Housing Grant and other Government Grants

Government grants are recognised using the accrual method and are classified either as a grant relating to revenue or a grant relating to assets.

Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

Grants received for housing properties are recognised in income over the expected useful life of the housing property structure.

Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants received from non-government sources are recognised as revenue using the performance model set out in FRS 102

### (n) Housing Finance Grant

Housing Finance Grant (HFG) is paid by the Welsh Government towards the costs of housing assets over a period of 30 years to subsidise the capital and interest costs for the provision of affordable housing. The net present value of the HFG receivable over the agreed period payment term is recognised as a capital grant and a deferred debtor.

Upon receipt of the grant payments, the debtor decreases by the capital element the difference between this and the amount of grant received is credited to surplus or deficit in the Statement of Comprehensive Income as a contribution towards the financing cost of that scheme. The discount rate used for the net present value calculations is the same rate that applies to the associated borrowing to fund the housing assets.

The capital grant element of HFG previously received is deemed to be repayable upon disposal of a related housing asset. This is treated as Recycled Capital Grant in the Recycled Capital Grant Fund and included in the consolidated Statement of Financial Position as a creditor.

### (o) Donation or acquisition of land or other asset at below market value

Where a donation of land and/or other assets is received or land and/or other assets are acquired at below market value from a government source, this is accounted for as a

non-monetary government grant. The difference between the fair value of the asset donated or acquired and the consideration paid for the asset is recognised as a government grant and included in the consolidated Statement of Financial Position as a liability.

Where a donation of land and/or other assets is received or acquisitions of land and/or other assets at below market value from a third party that does not meet the definition of a government source the transaction is recognised as an asset in the consolidated Statement of Financial Position at fair value, taking account of any restrictions on the use of the asset. Income equivalent to the difference between any amounts paid or payable for the asset and the fair value of the asset is recognised in the consolidated Statement of Comprehensive Income as a donation when the future performance-related conditions are met.

### (p) Recycling of Grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the consolidated Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor on the consolidated Statement of Financial Position.

For shared ownership stair-casing sales, when full stair-casing has not taken place, the recycling of grant may be deferred if the net sales proceeds are insufficient to meet the grant obligation relating to the disposal and is not recognised as a provision. On subsequent stair-casing sales, the requirement to recycle the grant becomes an obligation if sufficient sales proceeds are generated to meet the obligation and a provision is recognised at this point.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the consolidated Statement of Financial position related to this asset is derecognised as a liability and recognised as revenue in surplus or deficit in the consolidated Statement of Comprehensive Income.

### (q) Interest Payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds.

Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition.

Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate, and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

### (r) Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at commencement of the lease as assets and the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of the lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge, on the capital repayments outstanding, in the consolidated Statement of Financial Position.

## (s) Service charges, sinking funds and service costs

Barcud operates variable service charges reflecting the requirements of the respective tenancy and lease agreements. Un-utilised contributions to service charge sinking funds and over-recovery of service costs which are repayable to tenants or leaseholders or are intended to be reflected in reductions to future service charge contributions are recognised as a liability in the consolidated Statement of Financial Position. The amount included in liabilities in respect of service charge sinking funds includes interest credited to the fund. Where there has been an under-recovery of leaseholders' or tenants' variable service charges and recovery of the outstanding balance is virtually certain, the balance is recognised in the consolidated Statement of Financial Position as a trade receivable. Debit and credit balances on individual schemes are not aggregated as there is no right of set-off.

## (t) Financial Instruments

Financial assets and financial liabilities are recognised when Barcud becomes a party to the contractual provisions of the instrument.

**Financial assets carried at amortised cost**

a. Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents.
b. Financial assets are initially recognised at fair value plus directly attributable transaction costs.
c. After initial recognition, they are measured at amortised cost using the effective interest method.
d. Discounting is omitted where the effect of discounting is immaterial.
e. If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.
f. A financial asset is de-recognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.
g. If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**Financial liabilities carried at amortised cost**

a. Financial liabilities carried at amortised cost include trade and other payables and interest-bearing loans and borrowings.
b. Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income.
c. Discounting is omitted where the effect of discounting is immaterial.
d. A financial liability is de-recognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

## (u) Cash and cash equivalents

Cash and cash equivalents are defined as:

» Cash on hand (physical currency held)
» Demand deposits
» Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

Barcud treats short term maturity as three months or less from the date of acquisition.

No loans, long term deposits or investments are included in the opening or closing balances in the cash flow statement.

## 2. 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 judgements about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

**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.

**Going concern**

An assessment of going concern is made, by the Board, as part of the preparation of the annual Financial Statements, to confirm that the use of this basis is still appropriate. Disclosure of any relevant events or conditions which might significantly impact on this decision and the plans to deal with them as required are included in these Financial Statements.

**Capitalisation of property development costs**

The group capitalises development expenditure in accordance with the accounting policy on housing properties. Judgement is exercised over the likelihood that projects will continue.

**Key sources of estimation uncertainty**

The group 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.

**Provisions**

Provision is made for certain liabilities and for rent arrears that are considered uncollectable. The provisions require managements best estimation of costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discounted rates used to establish the net present value of the obligations require management's judgement.

**Defined benefit pension scheme**

The group has obligations to pay pension benefits to certain employees. 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.

**Components of housing properties and useful lives**

Major components of housing properties have significantly different patterns of consumption of economic benefits and estimates are made to allocate the initial cost of the property to its major components and to depreciate each component over its useful economic life. The group considers whether there are and indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

**Impairment**

The group carries out impairment reviews annually on commercial properties. When an indicator of impairment is identified, impairment losses on non-revalued assets are recognised immediately in profit or loss. Impairment losses on revalued assets are treated as revaluation decreases and are recognised: - in other comprehensive income to the extent of any previously recognised revaluation gain accumulated in equity; - otherwise in profit or loss.

## 2a TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

| Group | 2024 Turnover £'000 | 2024 Operating Costs £'000 | 2024 Cost of Sales £'000 | 2024 Operating Surplus £'000 | 2023 Turnover £'000 | 2023 Operating Costs £'000 | 2023 Cost of Sales £'000 | 2023 Operating Surplus £'000 |
|---|---|---|---|---|---|---|---|---|
| Social housing lettings (Note 2b) | 27,686 | (23,114) | - | 4,572 | 26,086 | (19,720) | - | 6,366 |
| **Other social housing activities** | | | | | | | | |
| Garages | 284 | - | - | 284 | 265 | - | - | 265 |
| Other grants | 219 | - | - | 219 | 223 | - | - | 223 |
| Donations | 8 | - | - | 8 | 10 | - | - | 10 |
| Promotion of social inclusion | 2,688 | (2,368) | - | 320 | 2,673 | (2,384) | - | 289 |
| Trading activities | 90 | (102) | - | (12) | 106 | (74) | - | 32 |
| Other | 481 | - | - | 481 | 358 | - | - | 358 |
| Other revenue grants | - | - | - | - | 55 | - | - | 55 |
| **Non-social housing activities** | | | | | | | | |
| Property sales | - | - | - | - | 480 | - | (373) | 107 |
| Market rented properties | 130 | (19) | - | 111 | 62 | (17) | - | 45 |
| EOM | 416 | (388) | - | 28 | 361 | (152) | - | 209 |
| Commercial income | 90 | (75) | - | 15 | 86 | (92) | - | (6) |
| | 32,092 | (26,066) | - | 6,026 | 30,765 | (22,439) | (373) | 7,953 |

| Association | 2024 Turnover £'000 | 2024 Operating Costs £'000 | 2024 Cost of Sales £'000 | 2024 Operating Surplus £'000 | 2023 Turnover £'000 | 2023 Operating Costs £'000 | 2023 Cost of Sales £'000 | 2023 Operating Surplus £'000 |
|---|---|---|---|---|---|---|---|---|
| Social housing lettings (Note 2b) | 27,686 | (23,391) | - | 4,295 | 26,086 | (19,994) | - | 6,092 |
| **Other social housing activities** | | | | | | | | |
| Garages | 284 | - | - | 284 | 265 | - | - | 265 |
| Recharges to other group companies | - | - | - | - | - | - | - | - |
| Other revenue grants | 219 | - | - | 219 | 223 | - | - | 223 |
| Other | 718 | - | - | 718 | 616 | - | - | 616 |
| **Non-social housing activities** | | | | | | | | |
| Property sales | - | - | - | - | 480 | - | (373) | 107 |
| Market rented property | 130 | (19) | - | 111 | 62 | (17) | | 45 |
| Other | 90 | (75) | - | 15 | 86 | (92) | - | (6) |
| | 29,127 | (23,485) | - | 5,642 | 27,818 | (20,103) | (373) | 7,342 |

## 2b PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

| | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| **INCOME** | | | | |
| Rent receivable | 23,428 | 21,836 | 23,428 | 21,836 |
| Service charge income | 1,219 | 1,317 | 1,219 | 1,317 |
| Grant amortisation | 1,173 | 1,073 | 1,173 | 1,073 |
| Grants taken to income | 1,600 | 1,600 | 1,600 | 1,600 |
| Supporting People | 266 | 260 | 266 | 260 |
| Turnover from social housing lettings | 27,686 | 26,086 | 27,686 | 26,086 |
| **COST** | | | | |
| Management costs | (5,840) | (4,686) | (5,840) | (4,960) |
| Service charge costs | (1,389) | (1,025) | (1,389) | (1,025) |
| Routine maintenance | (6,301) | (5,495) | (6,301) | (5,495) |
| Planned maintenance | (1,003) | (619) | (1,003) | (619) |
| Bad debts | (144) | (31) | (144) | (31) |
| Depreciation | (5,872) | (5,316) | (5,872) | (5,316) |
| Other costs | (3,119) | (2,548) | (2,842) | (2,548) |
| Operating costs on social housing lettings | (23,114) | (19,720) | (23,391) | (19,994) |
| Operating surplus on social housing lettings | 4,295 | 6,366 | 4,295 | 6,092 |
| Rent loss due to voids (memorandum note) | 346 | 309 | 346 | 309 |

## 3. SURPLUS ON DISPOSAL OF HOUSING PROPERTIES

| | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| Proceeds of sale of properties | 185 | - | 185 | - |
| Disposal expenses | (13) | - | (13) | - |
| Surplus on disposals | 172 | - | 172 | - |

## 4. SURPLUS FOR THE YEAR

| | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| The surplus for the year is stated after charging/(crediting): | | | | |
| Depreciation | 5,744 | 5,391 | 5,632 | 5,316 |
| Amortisation of intangible assets | 242 | 205 | 212 | 176 |
| Amortisation of grant | (1,173) | (1,073) | (1,173) | (1,072) |
| External auditor's remuneration | | | | |
| - in their capacity as auditors | 45 | 39 | 30 | 28 |
| - other | 4 | 3 | 4 | 3 |

## 5. TAXATION

The Charitable activities of Barcud Cyf, Care & Repair in Powys and Cymdeithas Gofal (The Care Society) are exempt from taxation under Section 505 of the Income and Corporation Taxes Act 1988.
Barcud's wholly owned subsidiary EOM Ltd. is liable to U.K. Corporation Tax at normal rates.
Tax rate for the year is 19%.

| | 2024 £ | 2023 £ |
|---|---|---|
| **Profit before tax** | **289,561** | **320,549** |
| Additions to Profit | 75,669 | 69,434 |
| Deductions from Profit | (129,342) | (121,721) |
| **Adjusted Trading Profit / Loss** | **235,888** | **268,262** |
| Investments and Other Profits | 17,254 | 15,556 |
| Trading losses b/f | 0 | (136,536) |
| Relief Claimed: Non-trade charges | (140,000) | (147,282) |
| **Profits Chargeable to Corporation Tax** | **113,142** | **0** |
| 01/04/21 - 31/03/22 Rate | - | 19% |
| 01/04/22 - 31/03/23 Rate | 19% | - |
| **Gross Corporation Tax** | **21,497** | **0** |

## 6a. EMPLOYEES

| | | Group 2024 | Group 2023 | Association 2024 | Association 2023 |
|---|---|---|---|---|---|
| **Average monthly number of employees (including Executive Directors) expressed as full time equivalents** | | | | | |
| Administration | | 25 | 26 | 16 | 16 |
| Operational services | - Office based | 113 | 120 | 95 | 100 |
| | - Scheme managers and cleaners | 21 | 24 | 21 | 24 |
| | - Community repairs team | 114 | 81 | 85 | 54 |
| | - Charitable activities | 42 | 41 | - | - |
| | | 315 | 292 | 217 | 194 |

| | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| **Staff costs:** | | | | |
| Wages and salaries | 9,580 | 8,289 | 6,800 | 5,827 |
| Redundancy and settlement costs | 30 | - | 30 | - |
| Social security costs | 850 | 797 | 632 | 579 |
| Pension costs | 825 | 638 | 697 | 550 |
| Total | 11,285 | 9,724 | 8,159 | 6,956 |

Full time equivalent number of staff who received emoluments including pension contributions in excess of £50,000 were:

| **Salary band** | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| £50,000 - £59,999 | 12 | 6 | 7 | 6 |
| £60,000 - £69,999 | 7 | 3 | 5 | 2 |
| £70,000 - £79,999 | 2 | 3 | 2 | 3 |
| £80,000 - £89,999 | 1 | 2 | - | 2 |
| £90,000 - £99,999 | 4 | - | 4 | - |
| £100,000 - £109,999 | - | - | - | - |
| £110,000 - £119,999 | - | 1 | - | 1 |
| £120,000 - £129,999 | - | 3 | - | 3 |
| £130,000 - £139,999 | 3 | - | 3 | - |
| £140,000 - £149,999 | - | - | - | - |
| £150,000 - £159,999 | - | 1 | - | - |
| £160,000 - £169,999 | - | 1 | - | 1 |

## 6b. KEY MANAGEMENT PERSONNEL REMUNERATION

| | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| Wages and Salaries | 1,309 | 1,184 | 1,309 | 1,184 |
| Redundancy and Settlement Costs | 30 | - | 30 | - |
| Social Security Costs | 154 | 148 | 154 | 148 |
| Other Pension Costs | 163 | 162 | 163 | 162 |
| Other Benefits | 3 | 2 | 3 | 2 |
| **Board Members** | | | | |
| Wages and Salaries | 82 | 5 | 82 | 5 |
| Social Security Costs | - | - | - | - |
| Other Pension Costs | - | - | - | - |
| Expenses | 13 | 4 | 13 | 4 |
| | 1,754 | 1,505 | 1,754 | 1,505 |
| **Remuneration of the Group Chief Executive excluding pension contributions** | 176 | 142 | 176 | 142 |

The Group Chief Executive was an ordinary member of the Local Government pension scheme and no enhanced or special terms applied.
The increase during the year relates to a compensation payment made.

## 7. INTEREST AND FINANCING COSTS

| | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| Interest on loans<br>- repayable by instalments in | | | | |
| Less than 1 year | 223 | - | 223 | - |
| 1-5 years | 99 | 157 | 99 | 157 |
| More than 5 years | 3,417 | 3,197 | 3,417 | 3,197 |
| Finance leases | 1 | 1 | 1 | 1 |
| Amortisation of deferred finance costs | 11 | 15 | 11 | 15 |
| Pension finance costs (see note 21) | - | 120 | - | 120 |
| Borrowing costs capitalised | (38) | (13) | (38) | (13) |
| Other | 6 | 6 | 6 | 6 |
| | 3,719 | 3,483 | 3,719 | 3,483 |

## 8. INTANGIBLE FIXED ASSETS – COMPUTER SOFTWARE

| | Group £'000 | Association £'000 |
|---|---|---|
| **COST** | | |
| At 1 April 2023 | 1,540 | 1,391 |
| Additions | 179 | 179 |
| Disposals | - | - |
| At 31 March 2024 | 1,719 | 1,570 |
| **DEPRECIATION** | | |
| At 1 April 2023 | 871 | 782 |
| Charge in year | 242 | 212 |
| Disposals | - | - |
| At 31 March 2024 | 1,113 | 994 |
| **NET BOOK VALUE** | | |
| At 31 March 2024 | 606 | 576 |
| At 31 March 2023 | 669 | 609 |

## 9. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES (GROUP AND ASSOCIATION)

| | Housing Properties Completed £'000 | Housing Properties Under Construction £'000 | Completed Shared Ownership £'000 | Total £'000 |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 April 2023 | 258,724 | 20,217 | 26 | 278,967 |
| Additions | 7,944 | 28,125 | - | 36,069 |
| Disposals | (267) | - | - | (267) |
| Transfer to completed | 18,312 | (18,312) | - | - |
| Transfer to Market Rented Properties (Note 10) | (364) | - | - | (364) |
| At 31 March 2024 | 284,349 | 30,030 | 26 | 314,405 |
| **DEPRECIATION** | | | | |
| At 1 April 2023 | 43,029 | - | 6 | 43,035 |
| Charge in year | 5,303 | - | - | 5,303 |
| Disposals | (221) | - | - | (221) |
| Transfer to Market Rented Properties (Note 10) | (14) | - | - | (14) |
| At 31 March 2024 | 48,097 | - | 6 | 48,103 |
| **NET BOOK VALUE** | | | | |
| At 31 March 2024 | 236,252 | 30,030 | 20 | 266,302 |
| At 31 March 2023 | 215,695 | 20,217 | 20 | 235,932 |

### *Additions to completed properties held for letting*

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Replacement of components | 6,213 | 7,102 |
| Purchase of existing properties | 1,503 | 2,535 |
| Developments | 28,125 | 17,991 |
| Improvements | 228 | 319 |
| | 36,069 | 27,947 |
| Charged to Statement of Comprehensive Income | 7,304 | 6,114 |
| Total expenditure on completed properties | 43,373 | 34,061 |

## 10. OTHER PROPERTY, PLANT AND EQUIPMENT (GROUP)

| COST | Freehold properties £'000 | Leasehold properties £'000 | Commercial properties £'000 | Market rented properties £'000 | Other £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| At 1 April 2023 | 884 | 427 | 4,643 | 1,128 | 2,675 | 9,757 |
| Additions | 131 | - | 2 | - | 529 | 662 |
| Transfer from Housing Properties (Note 9) | - | - | - | 363 | - | 363 |
| Disposal | - | - | - | - | (167) | (167) |
| Revaluation | 11 | - | 4 | - | - | 15 |
| At 31 March 2024 | 1,026 | 427 | 4,649 | 1,491 | 3,037 | 10,630 |
| **DEPRECIATION** | | | | | | |
| At 1 April 2023 | 54 | 151 | 554 | - | 1,805 | 2,564 |
| Charge in year | 18 | 9 | 60 | - | 354 | 441 |
| Disposals | - | - | - | - | (159) | (159) |
| Revaluation | - | - | - | - | - | - |
| At 31 March 2024 | 72 | 160 | 614 | - | 2,000 | 2,846 |
| **IMPAIRMENT** | | | | | | |
| At 1 April 2023 | - | - | 223 | - | - | 223 |
| Transfer | - | - | - | - | - | - |
| At 31 March 2024 | - | - | 223 | - | - | 223 |
| **NET BOOK VALUE** | | | | | | |
| At 31 March 2024 | 954 | 267 | 3,812 | 1,491 | 1,037 | 7,561 |
| At 31 March 2023 | 830 | 276 | 3,866 | 1,128 | 870 | 6,970 |

## 10. OTHER PROPERTY, PLANT AND EQUIPMENT (ASSOCIATION)

| COST | Leasehold properties £'000 | Commercial properties £'000 | Market Rented £'000 | Other £'000 | Total £'000 |
|---|---|---|---|---|---|
| At 1 April 2023 | 427 | 4,643 | 1,128 | 2,197 | 8,395 |
| Additions | - | 2 | - | 278 | 280 |
| Disposals | - | - | - | (105) | (105) |
| Transfer from Housing Properties (Note 9) | - | - | 363 | - | 363 |
| Revaluation | - | 4 | - | - | 4 |
| At 31 March 2024 | 427 | 4,649 | 1,491 | 2,370 | 8,937 |
| **DEPRECIATION** | | | | | |
| At 1 April 2023 | 151 | 554 | - | 1,501 | 2,206 |
| Charge in year | 9 | 60 | - | 260 | 329 |
| Disposals | - | - | - | (99) | (99) |
| At 31 March 2024 | 160 | 614 | - | 1,662 | 2,436 |
| **IMPAIRMENT** | | | | | |
| At 1 April 2023 | - | 223 | - | - | 223 |
| Charge in year | - | - | - | - | - |
| At 31 March 2024 | - | 223 | - | - | 223 |
| **NET BOOK VALUE** | | | | | |
| At 31 March 2024 | 267 | 3,812 | 1,491 | 708 | 6,278 |
| At 31 March 2023 | 276 | 3,866 | 1,128 | 696 | 5,966 |

## 11. FIXED ASSETS INVESTMENTS

**Group**

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Homebuy loans | | |
| At 1 April | 588 | 603 |
| Repayment of loans | - | 15 |
| At 31 March | 588 | 588 |
| Monies on deposit | 175 | 168 |
| | 763 | 756 |

**Association**

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Homebuy loans | | |
| At 1 April | 588 | 603 |
| Repayment of loans | - | 15 |
| At 31 March | 588 | 588 |
| Monies on deposit | 175 | 168 |
| Investment in wholly owned subsidiary | 1,011 | 1,011 |
| | 1,774 | 1,767 |

## 12. INVENTORIES

| | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| Stock of materials | 209 | 262 | 33 | 37 |
| Properties for sale | 73 | 70 | 73 | 70 |
| | 282 | 332 | 106 | 107 |

## 13. DEBTORS

| | Group 2024 £'000 | Group 2024 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| Gross rent and service charge arrears | 1,114 | 960 | 1,076 | 832 |
| Less: provision for bad debts | (397) | (349) | (394) | (337) |
| Net rent arrears | 717 | 611 | 682 | 495 |
| Trade debtors | 275 | 114 | - | - |
| Housing Finance Grant | 199 | 199 | 199 | 199 |
| Sinking fund | 82 | 61 | 82 | 61 |
| Prepayments and accrued income | 4,544 | 3,050 | 4,065 | 2,785 |
| | 5,817 | 4,035 | 5,028 | 3,540 |
| Amounts falling due after more than one year: | | | | |
| Housing Finance Grant | 3,312 | 3,511 | 3,312 | 3,511 |
| VAT Shelter agreement | 6,319 | 9,378 | 6,319 | 9,378 |
| | 9,361 | 12,889 | 9,361 | 12,889 |
| | 15,448 | 16,924 | 14,659 | 16,429 |

## 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| Trade creditors | 1,796 | 1,142 | 1,903 | 994 |
| Rent charges received in advance | 585 | 616 | 585 | 616 |
| Social Housing Grant received in advance | 15,452 | 28,093 | 15,452 | 28,093 |
| Government grants deferred income | 1,136 | 1,136 | 1,133 | 1,133 |
| Housing Finance Grant | 199 | 199 | 199 | 199 |
| Deferred income on bonds | 175 | 115 | 175 | 115 |
| Recycled capital grants | 68 | 68 | 68 | 68 |
| Finance leases | 15 | 24 | - | - |
| Other taxation and social security | 73 | 55 | (2) | (2) |
| Loans | 1,771 | 817 | 1,765 | 805 |
| Accruals and other creditor | 4,586 | 4,966 | 4,382 | 5,023 |
| | 25,856 | 37,231 | 25,660 | 37,044 |

## 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| Loan due after more than one year | 101,305 | 103,061 | 101,156 | 102,814 |
| Social Housing Grant received in advance | 27,137 | - | 27,137 | - |
| Government grants – deferred income | 106,458 | 97,346 | 106,450 | 97,334 |
| Housing Finance Grant | 3,312 | 3,511 | 3,312 | 3,511 |
| Deferred income on bonds | 1,301 | 1,361 | 1,301 | 1,361 |
| Recycled capital grants | - | - | - | - |
| Finance leases | 28 | 43 | 28 | 28 |
| VAT shelter agreement | 6,319 | 9,378 | 6,319 | 9,378 |
| | 245,860 | 214,700 | 245,703 | 214,426 |

Housing loans are secured by a charge on the total property stock owned by Barcud. Loans are secured by a fixed charge on the Association's land and buildings. They are repayable by instalments at both fixed and variable rates.

| ***Debt Analysis – Housing Loans*** | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| One year or less | 1,771 | 817 | 1,765 | 805 |
| More than one and less than two years | 563 | 1,856 | 557 | 1,844 |
| More than two and less than five years | 1,693 | 1,980 | 1,672 | 1,940 |
| In more than five years | 99,049 | 99,225 | 98,927 | 99,030 |
| | 103,076 | 103,878 | 102,921 | 103,619 |

| ***Deferred Income – Government Grants*** | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| **At 1 April** | 126,573 | 99,628 | 126,558 | 99,150 |
| Grant receivable | 24,786 | 28,018 | 24,786 | 28,841 |
| Amortisation to Statement of Comprehensive Income | (1,176) | (1,073) | (1,173) | (1,073) |
| Transfer to Recycled Capital Grant | - | - | - | - |
| At 31 March | 150,183 | 126,573 | 150,171 | 126,558 |
| Due within one year | 16,588 | 29,226 | 16,585 | 29,226 |
| Due after one year | 133,595 | 97,346 | 133,587 | 97,332 |

## 16. NON-EQUITY SHARE CAPITAL

| | Group 2024 | Group 2024 | Association 2024 | Association 2023 |
|---|---|---|---|---|
| Shares at £1 each, allotted and issued | | | | |
| As at 1 April 2023 | 336 | 322 | 336 | 322 |
| Issued during the year | 7 | 14 | 7 | 14 |
| Surrendered | (227) | - | (227) | - |
| At 31 March 2024 | 116 | 336 | 116 | 336 |

## 17. CAPITAL COMMITMENTS

| | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| Capital expenditure contracted but not provided for in the financial statements | 15,856 | 13,264 | 15,856 | 13,264 |
| Capital expenditure authorised by the Board but not contracted | 14,686 | 15,154 | 14,686 | 15,154 |

The above commitments will be funded by existing bank facilities and Government grant.

## 18. OTHER FINANCIAL COMMITMENTS (GROUP)

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Land and Buildings £'000 | Other £'000 | Land and Buildings £'000 | Other £'000 |
| Other leases which expire: | | | | |
| Within one year | 20 | 23 | 37 | 23 |
| Within one to five years | 67 | 77 | 75 | 77 |
| More than five years | - | - | 35 | - |
| | 87 | 100 | 148 | 100 |

## OTHER FINANCIAL COMMITMENTS (ASSOCIATION)

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Land and Buildings £'000 | Other £'000 | Land and Buildings £'000 | Other £'000 |
| Other leases which expire: | | | | |
| Within one year | - | - | - | - |
| Within one to five years | - | 38 | - | 38 |
| | - | 38 | - | 38 |

## 19. HOUSING STOCK (GROUP AND ASSOCIATION)

| | 2024 Number | 2023 Number |
|---|---|---|
| **Number of units in management as at 31 March** | | |
| **Housing accommodation for letting:** | | |
| General housing | 3,892 | 3,815 |
| Sheltered housing | 334 | 334 |
| Intermediate Rents | 73 | 77 |
| Market Rent | 25 | 22 |
| Total rented | 4,324 | 4,248 |
| **Other units** | | |
| Right-to-buy leases | 178 | 184 |
| Shared ownership | 3 | 3 |
| Garages | 634 | 634 |
| To be sold | 2 | 2 |
| Homebuy | 18 | 3 |
| Freeholders with services | 96 | 80 |

## 20. FINANCIAL INSTRUMENTS

The carrying value of the Group's financial assets and liabilities are summarised by category below:

| | Group 2024 £'000 | Group 2023 £'000 | Association 2024 £'000 | Association 2023 £'000 |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Measured at discounted amount receivable | | | | |
| Rent arrears financing transactions (see note 13) | 717 | 611 | 682 | 495 |
| **Financial Liabilities** | | | | |
| Measured at amortised cost | | | | |
| Loans payable (see note 15) | 1,771 | 817 | 1,765 | 805 |
| Measured at undiscounted amount payable | | | | |
| Trade and other creditors (see note 14) | 1,796 | 1,142 | 1,903 | 994 |
| | 3,567 | 1,959 | 3,668 | 1,779 |

## 21. PENSION SCHEME

Barcud participates in the Dyfed Pension Fund.

The following information has been received from the Fund's actuaries.

For the year commencing 1 April 2023 the employer contributions were 21.4% of pensionable pay. The budgeted Current Service Cost for the year commencing 1 April 2025 is approximately 19.4% of pensionable salaries which is expected to result in an approximate service cost of £184,000.

**Statement of Financial Position items as at 31 March**

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Present value of funded benefit obligations | 12,895 | 12,827 |
| Present value of unfunded benefit obligations | - | - |
| Total present value of benefit obligations | 12,895 | 12,827 |
| Fair value of plan assets | (15,352) | (14,048) |
| Unrecognised asset | 2,457 | 1,221 |
| Deficit/(surplus) | - | - |

**Components of pension cost for year to 31 March 2024**

| | | |
|---|---|---|
| Current Service Cost | 192 | 407 |
| Interest on Pension Liabilities | (64) | 120 |
| Administration Expenses | 4 | 4 |
| Past service cost (gain) | - | - |
| Effect of Curtailments or Settlements | - | - |
| Effect of asset ceiling | - | - |
| Total pension cost recognised in SOCI | 132 | 531 |

**Statement of other comprehensive income**

| | | |
|---|---|---|
| Re-measurements (liabilities & assets) | (1,169) | (5,985) |
| Effect of asset ceiling* | 1,236 | 1,221 |
| Total re-measurements included in the SOCI | (67) | (4,764) |

* The asset in 2023 and 2024 was restricted to comply with FRS 102 paragraph 28. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. This criteria was not considered to be met, therefore, an asset was not recognised.

# 21. PENSION SCHEME (CONTINUED)

**Additional disclosure items**

| | Assets at 31 March 2024 | | Assets at 31 March 2023 | |
|---|---|---|---|---|
| | **£'000** | **%** | **£'000** | **%** |
| Equities | 11,176 | 72.8 | 10,453 | 74.4 |
| Government bonds | - | 0.0 | 70 | 0.5 |
| Other bonds | 1,443 | 9.4 | 997 | 7.1 |
| Property | 1.888 | 12.3 | 1,896 | 13.5 |
| Cash/liquidity | 77 | 0.5 | 98 | 0.7 |
| Other | 768 | 5.0 | 534 | 3.8 |
| **Total** | 15,532 | | 14,048 | |

**Change in benefit obligation during year to 31 March 2024**

| | 2024 £'000 | 2023 £'000 | |
|---|---|---|---|
| Benefit obligation at beginning of year | 12,827 | 19,372 | |
| Current service cost | 192 | 407 | (20.2% of pay plus interest) |
| Interest on pension liabilities | 605 | 536 | |
| Member contributions | 75 | 81 | |
| Past service cost | - | - | |
| Re-measurement (liabilities) | | | |
| Experience (gain)/loss | 51 | 1,193 | (0.4% of period end liabilities) |
| (Gain)/loss on assumptions | (211) | (7,784) | (1.6% of period end liabilities) |
| (Gain)/loss on demographic assumptions | (161) | (517) | (1.2% of period end liabilities) |
| Curtailments | - | - | |
| Settlements | - | - | |
| Benefits/transfers paid | (483) | (461) | |
| Business combinations | - | - | |
| Benefit obligation at end of year | 12,895 | 12,827 | |

**Change in plan assets during year to 31 March 2024**

| | 2024 £'000 | 2023 £'000 | |
|---|---|---|---|
| Fair value of plan assets at beginning of year | 14,048 | 14,921 | |
| Expected return on plan assets | 669 | 416 | |
| Re-measurement (assets) | 848 | (1,123) | (8.5% period end assets) |
| Administration expenses | (4) | (4) | |
| Business combinations | - | - | |
| Settlements | - | - | |
| Employer contributions | 199 | 218 | |
| Member contributions | 75 | 81 | |
| Benefits/transfers paid | (483) | (461) | |
| Fair value of plan assets at end of year | 15,352 | 14,048 | |
| **Actual Return on plan assets** | | **1,517** | (9.9% of period end assets) |

## 21. PENSION SCHEME (CONTINUED)

**Summary of actuarial assumptions used**

*Financial assumptions (Average duration profile of liabilities at end of accounting period)*

| | Beginning of period | End of period |
|---|---|---|
| - Rate of CPI inflation / CARE benefits | 2.7% | 2.7% |
| - Rate of increase in salaries | 4.2% | 4.2% |
| - Rate of increase in pensions | 2.8% | 2.8% |
| - Discount rate | 4.8% | 4.9% |

**Whole fund asset details**

| | Value (£m) | Determined as at |
|---|---|---|
| - Last actuarial valuation | 3,243 | 31 March 2022 |
| - Start of period | 3,167 | 28 February 2023 |
| - End of period | 3,376 | 29 February 2024 |

## 22. RELATED PARTIES

Barcud is managed by a Board of Management (the Board) of up to twelve people. One of the Board members is a tenant. The tenancies are provided based on the Barcud's standard terms. During the financial year 2023/24, rent received from tenant Board members was £5,468. The Board members cannot use their position to their advantage.

The Group consists of Barcud (the parent), Care & Repair in Powys Limited (subsidiary), Cymdeithas Gofal The Care Society (subsidiary) and EOM (Electrical Contractors) Ltd (subsidiary). Barcud Cyf as a registered social landlord is required by statute to produce Group Accounts.

**Transactions within the Group were:**

**Care & Repair in Powys**

| | Invoiced | Outstanding 31/03/2024 |
|---|---|---|
| Creditor invoices | £135,409 | £45,232 |
| Debtor invoices | £19,367 | £1,272 |

**Cymdeithas Gofal The Care Society**

| | Invoiced | Outstanding 31/03/2024 |
|---|---|---|
| Creditor invoices | £288,410 | £74,095 |
| Debtor invoices | £33,241 | £2,772 |

**EOM Limited**

| | Invoiced | Outstanding 31/03/2024 |
|---|---|---|
| Creditor invoices | £282,502 | £18,018 |
| Debtor invoices | £3,726,721 | £428,786 |

Within note 14 there is £74,783 included in accruals and other creditors relating to contracted work not invoiced.

## 23. DEVELOPMENT AGREEMENT

Barcud entered into a Development Agreement co-incident with the date of transfer of the housing stock from Ceredigion County Council (CCC), to carry out an agreed schedule of refurbishment works to the properties. The value of these works was £71.5m (excl. VAT). The cost to CCC of contracting for these works to be undertaken was offset against an equal increase in the purchase price of the stock paid by Barcud. The works contracted will be recognised as they are undertaken, in accordance with the accounting policy for major, cyclical and responsive repairs. In the event that Barcud chooses not to complete the works specified, the development agreement may be terminated at no financial loss to Barcud. Please refer to Notes 13 and 15 for amounts outstanding at 31 March 2024.

## 24. POST BALANCE SHEET EVENTS

A group subsidiary, Cymdeithas Gofal The Care Society, has not been successful for three tenders that were in place in 2023/24. The effect on these contracts is a 25% reduction in income during 2024/25.

## 25. CONTINGENT LIABILITY

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") during the year ending 31 March 2024. On identification of the issue, immediate steps were taken to ensure full compliance with legal obligations as the Association is currently able to understand them. Following legal advice, 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.

A high level of uncertainty also exists regarding whether there is any possibility of reimbursement. Any such consideration can only follow the resolution of the above matter.