tai CEREDIGION

# ANNUAL REPORT 2020

*and financial statements*

# Tai Ceredigion

Annual Report and
Financial Statements

Year Ended 31 March 2020

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# INTRODUCTION

## from The Group Chief Executive and the Chair of the Board

We are pleased to report another positive year for Tai Ceredigion and its subsidiary The Care Society.

Our vision for Tai Ceredigion is unchanged: to be a first class bilingual landlord and employer, putting tenants first; to provide quality homes, to deliver high levels of service; and to bring benefits to the communities we serve. We are committed to the provision of quality jobs and training opportunities and to the use of local contractors.

In October 2018, the Boards of Tai Ceredigion and Mid-Wales Housing Association considered an Outline Business Case for merger and agreed to commission work on a Final Business Case. The Outline Business Case identified that working together would enable us to achieve better value for money, to provide more affordable homes, to improve services to residents and stakeholders, and also to increase the potential for creating additional employment in mid and west Wales.

During the last year, considerable progress has been made to develop the Final Business Case for merger. A Shadow Board made up of an equal number of Board Members appointed from both associations was set up. After interview, I was appointed Chair of the Shadow Board in May 2019 and following a robust and externally supported interview process, Steve Jones was confirmed in post of Chief Executive Designate in September.

A Joint Tenant Panel made up of tenants from both associations was established and they have been involved in a joint business planning day, with their views on merger being considered as part of the Final Business Case.

As this report goes to print, both individual Boards have approved the merger and it is hoped that the legal formalities will be completed before the end of 2020.

In this last year Tai Ceredigion has invested £3m in providing new social and affordable homes to the people within our communities and strategically buying back properties. We have secured £1.4m Welsh Government Grant to enable us to do this.

We have also continued to invest extensively in improving our existing homes, spending £5m upgrading and maintaining them. This includes the installation of new windows and doors and external wall insulation, which will make our tenants' homes more comfortable and energy efficient. Throughout 2019/20 external work such as fencing, improving footpaths and landscaping was completed which has transformed the external environment of our estates and properties.

During the year Tai Ceredigion was successful in obtaining £1.2m funding from the European Regional Development Fund and £1.5m Welsh Government Targeted Regeneration Investment Programme Funding to develop an Enterprise Centre at Canolfan Dulais in Lampeter, a site already owned by the Association. Planning was obtained and construction work has started on site. The Enterprise Centre will provide office space for small local charities, space for small SMEs or start-ups, as well as meetings rooms for hire by community groups. Conference and training facilities will also be available at the Centre. It is hoped the Centre will support local businesses and community groups and contribute to boosting the economic future of communities within Ceredigion.

We were pleased to again receive a Standard Regulatory Judgement this year confirming that in relation to Governance and Service Delivery, we identify and manage new emerging risks and in relation to financial management, that we meet the viability requirements and have the financial capacity to deal with scenarios appropriately. In a co-regulation environment we have built a positive relationship with our Regulation Manager and we work with the Regulation Team at the Welsh Government in an open and transparent manner.

The Board is committed to good governance, which is fundamental to the success of Tai Ceredigion. During the last year the Board undertook a self-assessment away day facilitated externally exploring "The Right Stuff" model of good governance and identified areas where we feel we could improve. The Board undertakes regular training including bespoke training sessions. Attendance is encouraged at conferences and training events throughout the year.

The implementation of the recommendations from the Independent Review of Affordable Housing Supply (published May 2019) are now considered in our business planning.

Understanding the ever-changing external environment, the uncertain economic environment and being able to manage the changing risks and challenges facing the organisation and the sector, are key to ensuring that we have a strong business model and the long term viability of the organisation. In particular the risks and challenges as a result of uncertainty around the future relationship with the EU have been on our agenda for some time.

The safety of tenants remains a key risk for all RSLs and we work hard to ensure that we listen to tenants. We have a continuing strong commitment to taking on board what our tenants say. The work undertaken by the Tai Ceredigion Monitoring Group (TCMG) is a key part of ensuring that Tai Ceredigion understands and meets the needs of our tenants. We are grateful for their ongoing commitment to challenge and scrutinise our performance, for their reports to the Board throughout the year, and for their participation at our strategy days. Their reports form part of the Association's Assurance Framework providing assurance to the Board in terms of the Performance Standards set for housing associations by the Welsh Government.

Our annual STAR Tenant Satisfaction Survey was prepared in conjunction with the TCMG. The survey was independently administered. The report noted that "there are some very positive and encouraging headline results". The survey found that overall tenants are happy with the service they receive with the level of satisfaction increasing year on year. The challenge is now to maintain this high level of satisfaction and improve in areas where results were not so positive. It is pleasing to note that the question in relation to "friendly and approachable staff" was highly rated at 90%.

Our staff are our most valuable resource as it is they who, through the strategies and values set by the Board, deliver our service vision, in direct contact with tenants and other key stakeholders. Throughout the year they have been busy continuing to embrace changes and make improvements across the Association. We would like to thank every staff member for their continued hard work and dedication. We are especially proud of and grateful for the way the staff have responded to the Covid-19 pandemic, ensuring that tenants are supported and still receive services in a safe manner.

Over the past year, suppliers, contractors and our partnership networks have helped us either directly or indirectly to provide housing and housing related services to our Tenants and we recognise their contribution. In particular, we would thank our funders, Barclays Bank, for their continuing support and assistance.

In conclusion, we would like to take this opportunity to thank our Board members for their consistent support, hard work and commitment throughout the year.

**Steve Jones**
Group Chief Executive

**Karen Oliver**
Chair of the Board of Management

# CORONAVIRUS PANDEMIC

## Response and Implications

Early 2020 saw the developing national emergency arising from the Coronavirus pandemic. The response to this has been unprecedented among the public sector as a whole and specifically among Housing Associations who have adapted quickly to ensure their tenants continued to receive the services that could be delivered safely.

Tai Ceredigion took a range of early steps to ensure it was well prepared to respond to the pandemic. The governance arrangements established were vital to ensure that all aspects of operational and organisational performance and service delivery were responding to the evolving position. The safety and wellbeing of the workforce was considered paramount and staff who could work from home did so. Some staff who could not do their usual work from home were deployed to other roles such as contacting vulnerable tenants on a weekly basis. Resources were pooled to ensure continued service delivery and ways of working for front line and back office functions were adapted with both internal and external meetings being held electronically. Many staff continue to work from home, with some now back in the workplace with appropriate social distancing arrangements firmly in place and PPE provided.

Social media and weekly calls to vulnerable tenants were used as communication tools to reassure tenants that if they need assistance with shopping, financial advice, emergency works to their home that we could help or signpost them to other avenues. Feedback from tenants has been that for some, this assistance and support was a real lifeline to them during the lockdown and pandemic.

Tai Ceredigion's Chief Executive and Director of Housing and Support had weekly virtual meetings with Ceredigion County Council on the response to the pandemic and homelessness in the County. Tai Ceredigion provided extra temporary accommodation to the Council during this time and this will continue as we come out of lockdown in Wales.

The future and consequences of the pandemic are still very uncertain and the Executive Team, staff members and the Board are consistently reviewing how we work and how we continue to provide services and support our tenants.

Staff member Lydia Lloyd delivering shopping to tenants during lockdown.



# Tai Ceredigion Monitoring Group (TCMG)

## Chairperson's Report

Since the last Tenant Conference and AGM, the Group has been busy carrying out a variety of activities on behalf of our tenants.

Officers of TCMG have continued our monthly meetings with either the Executive Team or Operational Managers. We have attended Strategic Board meetings, been involved with self-evaluation and business-planning meetings, ensuring the tenants' voice is heard throughout Tai Ceredigion. Members have reviewed policies such as the local lettings, and illegal occupation policy, attended events such as the TPAS Tenant Conference and conducted repairs satisfaction telephone surveys.

Members have been heavily involved with merger talks with Mid-Wales Housing Association tenants and staff and have attended monthly Joint Tenant Panel (the Panel) meetings throughout the year. The Panel, which has tenants and staff from both associations, discussed what the priorities should be for the new association and presented these to both Boards last November. We were involved in deciding how the wider tenant consultation should be held, agreeing locations, times and who should attend. The Panel helped develop a briefing and Frequently Asked Questions sheet, which was sent out to all tenants of both associations, prior to these events. Panel members attended all the consultation events, until Covid-19 meant that the remaining events had to be cancelled. Once all the feedback was received and collated, we submitted a report to both Boards, which was considered when the final merger decision was made. Since then, the Panel has been finalising the Tenant Involvement Strategy and Action Plan for the new association, combining elements from both associations' previous documents. We also looked at how the new Monitoring Group could work following the amalgamation of Mid-Wales Tenant & Resident Forum and the Monitoring Group.

The last few months have meant that the Group have not been able to do some of our usual activities, such as estate or void property inspections. We have had to find other ways of working together, meaning embracing new technology with online meetings, with some members dialling in. This has shown that the Group can adapt and ensure that the tenants' voice is still heard, even under the most testing times.

A copy of our Annual Report, which was published earlier this year, is available on Tai Ceredigion's website or on request. For more information, please contact Sue Thomas, Tenant Participation Advisor: sue.thomas@taiceredigion.cymru or phone 0345 606 7654.

Paul Clasby
Chairperson
Tai Ceredigion Monitoring Group

Grŵp Monitro
Tai Ceredigion
Monitoring Group

# STRATEGIC PRIORITIES

## WORKING TOGETHER

***1. "To be an excellent bilingual landlord which involves its tenants and customers at all levels with emphasis on tenancy sustainment and continuous improvement"***

### *Tenant Involvement*

Tai Ceredigion actively involves tenants at all levels, in its service delivery and policy making. Tenants can have as much or as little involvement as they choose. Tai Ceredigion tenants are able to attend over 60 events/meetings per annum.

Grŵp Monitro Tai Ceredigion Monitoring Group

***Tai Ceredigion Monitoring Group***
This is the main forum for engagement with tenants and for influencing Tai Ceredigion housing policy and service standards.

***Tenants and Residents Associations/Groups***
Both formal and informal Groups can be set up on any estate or Sheltered Scheme throughout Ceredigion.

The Big Day Out

***The Big Day Out***
Held annually and aimed at young families.

***Tenant Liaison Forum***
A meeting held quarterly in various locations across the County to which all Tai Ceredigion tenants are invited.

***Tenant Board Members***
Tai Ceredigion is run by a Board of Management that has overall responsibility for policy development and management of the Association.

***Focus Groups***
Held in different venues throughout the county, as and when required.

***Special Interest Groups***
Review Groups are set up as and when required to discuss and lead on specific topics.

***Surveys & Questionnaires***
These may relate to the provision of services for some or all tenants.

***Sheltered Forum***
This forum is open to any tenant of the nine sheltered schemes.

SHELTERED FORUM

***Tenant Inspectors***
Tenant inspectors help us by assessing the housing service they receive.

The table below provides a comparison summary of the 9 main satisfaction areas of the STAR survey as required by the Welsh Government:

| Tai Ceredigion Results | 2010 (STAR) | 2013 (STAR) | 2017 (from 2016) | 2018 (Phone) | 2019 (STAR) | 2020 (Phone) |
|---|---|---|---|---|---|---|
| The service provided by your association | 73% | 82% | 87% | 90% | 87% | 96% |
| The overall quality of your home | 73% | 79% | 83% | 94% | 84% | 87% |
| Neighbourhoods as a place to live | 88% | 90% | 89% | 97% | 88% | 93% |
| Rent provides value for money | 82% | 83% | 86% | 94% | 84% | 87% |
| The association is providing the service tenants and residents expect | n/a | n/a | n/a | 92% | 85% | 93% |
| The way your association deals with repairs and maintenance | 70% | 78% | 82% | 85% | 85% | 86% |
| That your association listens to tenants and residents views and acts upon them | 66% | 65% | 63% | 88% | 67% | 84% |
| Tenants and residents trust the association | n/a | n/a | n/a | 91% | 80% | 96% |
| The way your association deals with antisocial behaviour | 44% | 54% | 56% | 76% | 61% | 84% |

Tai Ceredigion is the main partner of the Ceredigion Housing Register administered by Ceredigion County Council. 66% of the social housing stock in Ceredigion is owned by Tai Ceredigion.
During 2019/20, Tai Ceredigion allocated 244 properties with 32 of these being permanent homes for homeless or pending homeless applicants. We also offered temporary and emergency accommodation for the homeless nominated by Ceredigion County Council and 39 such allocations have been made. 33 of the allocations were made to existing Tai Ceredigion tenants transferring to homes more suited to their needs.

### *Financial Inclusion Support*

Our tenancy sustainment (financial inclusion) Cynnal Team continues to maximise tenants' income. £834,497 additional 'income' has been accessed for tenants. Over 450 tenants have been assisted by the Cynnal Team.

- Discretionary Housing Payments with a value of over £83,496
- Personal Independence Payments totalling over £136,000

***"She has been a great help to me with application for a Blue Badge which was issued. She has been so kind, helpful and professional. My neighbours all feel that she has been such a great help to them also".***

- Tenant assisted by a member of the Cynnal Team, October 2019

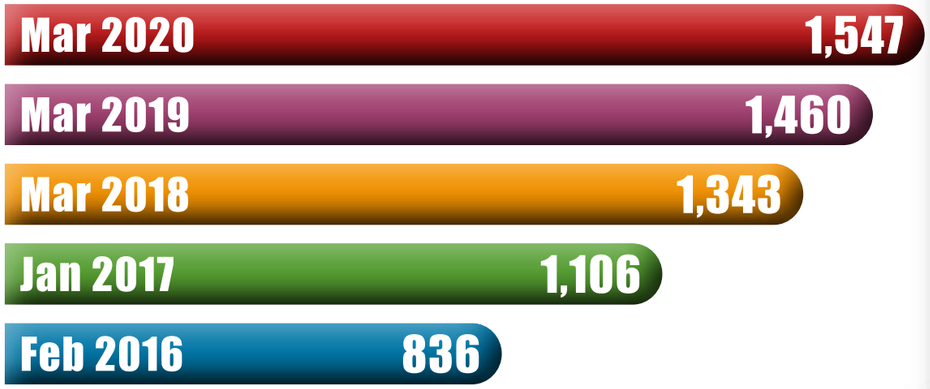
# STRATEGIC PRIORITIES

## SUSTAINING AND INCREASING STOCK

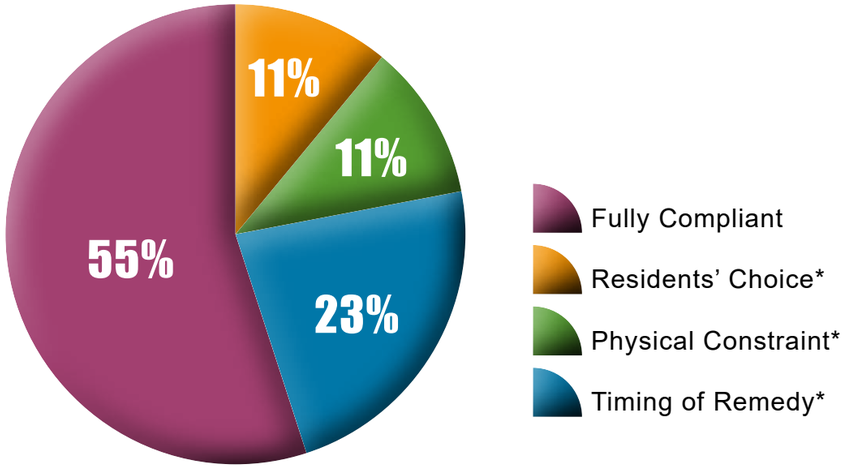
***2. "To maintain existing, and increase the number of, quality homes within sustainable communities"***

### *Passing SAP Scores March 2020*

The Standard Assessment Procedure (SAP) is the methodology used by the Government to assess and compare the energy and environmental performance of homes. In order to pass it must be a score of 65 or over. Homes with a high SAP rating help lessen fuel poverty.




### *Welsh Housing Quality Standard Compliance March 2020*




* Residents' Choice - the tenant has specifically requested that the Association does not change, improve or replace an element which is failing WHQS. It is only where there is a health and safety risk that we would insist that the component is changed.
* Physical Constraint - a component fails due to the size of the dwelling or landscape of the adjoining land, eg a small kitchen which doesn't adhere to the space or storage requirements.
* Timing of Remedy - a component fails to meet the standard but is programmed for replacement within the next five years.

### *Capital Spend*

- Relocated Penrodyn sheltered scheme office and added a new scooter store
- Installed new play equipment at Maesyderi, Lampeter
- Completed estate works at Heol Dinas
- Installed new roofs at estates in Aberystwyth
- Installed new fire alarm systems in 4 locations

### *Developments*

7 existing dwellings bought back

12 homes completed in Cenarth

2 Rent to Own homes completed in Cenarth

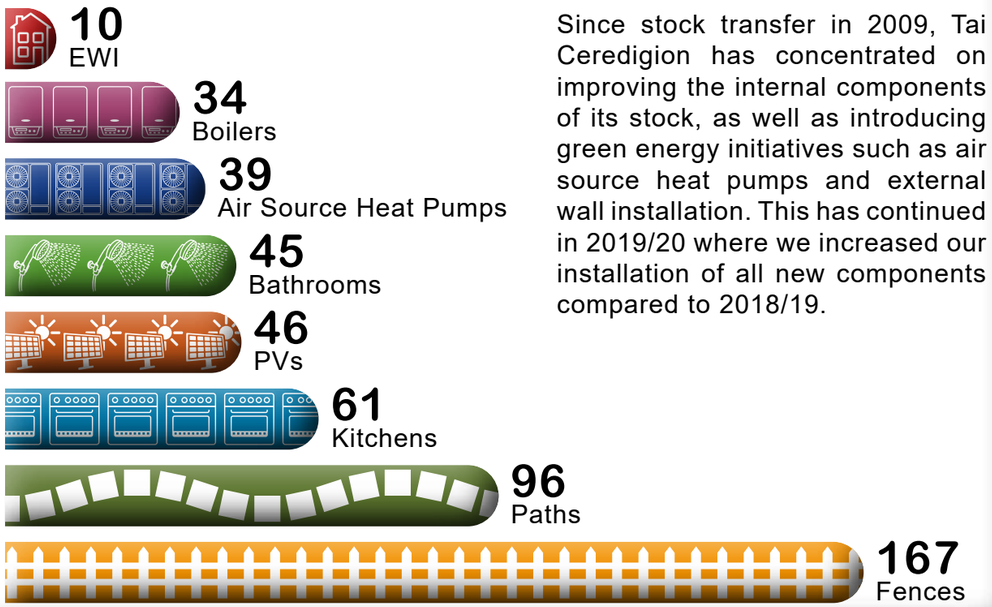
61 developments expected to be completed in 2020/21

**995** Electrical tests

In 2019/20 works started on the building of an enterprise centre in Lampeter which will be used to boost the local economy through providing office space for existing or new charities and SMEs, plus conference and training facilities.

Tai Ceredigion is very grateful to have been awarded £1.2m in European Regional Development funding and £1.5m funding from the Targeted Regional Investment Programme towards this project. The centre is expected to open in Spring 2021.

### *Components*




Since stock transfer in 2009, Tai Ceredigion has concentrated on improving the internal components of its stock, as well as introducing green energy initiatives such as air source heat pumps and external wall installation. This has continued in 2019/20 where we increased our installation of all new components compared to 2018/19.

# STRATEGIC PRIORITIES

## FINANCE FIT

***3. "To be a financially sound and viable business, that conducts its affairs with honesty, integrity and strong governance"***

Tai Ceredigion has a business plan which is reviewed annually or as required by Board. The business plan consists of a five year rolling corporate plan, including any forecasts of income and expenditure, corporate targets, strategic priorities and any policies adopted or specified by the Board. A detailed annual budget is produced each year, allowing strategic priorities to be met, whilst complying with funding requirements and covenants.

2019/20 was another successful year financially, with a surplus of **£1.3m**

GwerthwchiGymru Sell2Wales

31 tenders listed on Sell2Wales

**£24.4m** drawn down from a £35m loan facility

47 contractors attended Meet The Buyer events.

Tai Ceredigion signed up to the Welsh Government's Modern Slavery 2015 Act.

### *Governance*

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. Tai Ceredigion is largely compliant with the Code of Governance, Board member training in 2019/20 consisted of Landlord Health & Safety, an Iron Grip stress testing session with HQN, an all-Board self-appraisal session with Campbell Tickell and a session on data integrity with staff members of Tai Ceredigion. There was also a business planning day for Tai Ceredigion and a joint business planning day held with Mid-Wales Housing Association to discuss the merger project.

### *Internal Audit Assurance Statement*

The annual Head of Internal Audit opinion is provided to Tai Ceredigion by Barcud Shared Services. "We are satisfied that sufficient internal audit work has been undertaken during 2019/20 to enable us to draw a reasonable conclusion on the adequacy and effectiveness of Tai Ceredigion's governance, risk management and internal control arrangements."

# STRATEGIC PRIORITIES

## STAFFING OUR FUTURE

***4. "To be an employer of choice that provides local employment opportunities, training and work placements"***

### *Myfi*

The HR team have been extremely busy throughout the last year preparing for the introduction of a new HR/Payroll system whilst ensuring that the day to day work continues. A joint procurement exercise was undertaken between ourselves and Mid-Wales Housing Association (incorporating the three subsidiaries) and they have been working with the successful provider over the past year to ensure that we are ready for the system to go live in 2020. The new system will allow staff to be more in control of their own data. Staff will be able to upload documents as well as receive documents by HR through the 'Myfi' self service portal.

### *Staff Conference*

Our 2019 staff conference was yet again deemed a very successful day. Lowri Morgan, a well know TV presenter and athlete, spoke about keeping motivated under extreme conditions and the importance of teamwork and keeping yourself in a positive mindset. The afternoon concentrated on Health and Wellbeing - several activities were organised including football matches, walking, wall climbing and Yoga. It was a good day to network with colleagues.

# STRATEGIC PRIORITIES

## STAFFING OUR FUTURE *(continued)*

***4. "To be an employer of choice that provides local employment opportunities, training and work placements"***

### *Health Surveillance*

Tuag At Iechyd
Towards Wellbeing

As part of the Tuag At Iechyd campaign, Health Surveillance plays an important factor in ensuring that the health and wellbeing of our staff is monitored and recorded. The regular health surveillance program also links to the managing attendance at work policy which aims to reduce sickness absence. Annual health surveillance takes place for all staff during the Health and Wellbeing day which covers areas such as weight management, blood pressure and diabetes testing. Our Medra staff receive extra health surveillance such as Hand Arm Vibration test, lung function, hearing, skin and respiratory tests.

The Health Surveillance program has proved very successful in diagnosing symptoms such as diabetes, high blood pressure as well as carpal tunnel syndrome.

### *Training*

This year a number of training courses were organised and delivered to staff. A few members of staff completed recognised qualifications such as the CIH Housing Qualifications whilst others undertook ad-hoc courses. Again, we concentrated on improving employee competence and knowledge. Examples of training delivered to Medra staff were asbestos awareness, advanced technology F Gas, implementing Electric Vehicle Charging point, circular saw training and site safety. In addition all visiting staff were trained on Estate inspections and how to identify Health and Safety risks in our estates.

Managers and Team Leaders across the organisation were trained on general management training including how to conduct 1-2-1s, deal with absences, deal with conflict, procurement and preparing tenders, alcohol and drug awareness and IOSH Managing Safely.

2019 saw the introduction of the Corporate Induction programme - whereby new employees meet the Executive team in order to find out what each Directorate manages and does. This new programme is an addition to the employees' general HR and H&S induction.

We have continued to recruit apprentices and in September 2019 we recruited 3 new plumbing apprentices. The other apprentices are doing great both practically and in college.



# BARCUD

## Tai Ceredigion and Mid-Wales Housing Association Merger Project

A timeline of the merger project so far including future dates and timescales:

# THE CARE SOCIETY

## INTRODUCTION FROM THE CHAIR AND EXECUTIVE DIRECTOR

I write this introduction at a very difficult time as the World responds to the Covid-19 pandemic. Over these past few months there has never been stronger need for the services of The Care Society in supporting the community to effectively respond to this challenge. I and the Board have been humbled by the continued dedication and resourcefulness of our Care Society colleagues, both paid and volunteers - we are immensely proud of you and thank you again for demonstrating that you are The Care Society.

The Care Society's position is of course strengthened immensely from being part of the Tai Ceredigion Group, and together we have worked throughout the year to ensure the business remains effective and improve efficiencies. At the end of our second year in a group structure, I would like to thank the Board and colleagues in Tai Ceredigion and the Board of The Care Society for this support.

We continue to build and maintain our strategic relationships with our partners, most notably Ceredigion County Council and Welsh Government to help influence and shape policy and design services to meet the needs of the communities we serve.

I would like to personally thank Rob Gray who stood down from the Board and his role as Chair this year, after many years of providing a huge support to The Care Society.

The Care Society is made up at all levels of people who are deeply passionate about their work and want to see progressive change in their communities, it is my pleasure to continue to work with you and witness the huge impact you have on people's lives.

***A P Hearn***
Chair

Throughout 2019/2020, The Care Society has focussed on ensuring quality assurance and delivering services that truly support and meet the needs of service users. This is evidenced by the numbers of people who access existing support and accommodation services and is why The Care Society has expanded existing service provision, for example The Care Society Community Support & Befriending Service and Shop Mobility Scheme. It is also why The Care Society has developed new and innovative services as detailed in this report.

All of our services ensure we achieve our charitable objectives aided by the continued support of Welsh Government, the Local Authority, our parent body Tai Ceredigion and strategic partners. The Care Society's solid infrastructure, good reputation and growing profile ensure services meet the needs of people living in our mid Wales communities.

The Care Society continues to benefit from the generous donations of kind individuals, businesses, schools and community groups and all food donations, bedding, clothes and items for our Charity Shop as well as cash donations directly help vulnerable people in need. Thank you.

The Care Society would not be in a position to support, accommodate and provide invaluable services without the often-unseen support, commitment and dedication of our Board, Tai Ceredigion staff and the inspiring compassion and professionalism of my colleagues. Thank you.

***G Evans***
Executive Director

## ACHIEVEMENTS & PERFORMANCE

The Care Society had a successful year in 2019/20, producing a surplus of £131k which will be added to reserves to ensure the charity remains financially viable and able to continue helping the most vulnerable in our communities.

Throughout 2019 and 2020, The Care Society has improved property standards including the fitting of a new kitchen and wet room facility in the Night Shelter and has also successfully introduced new services including:

- A Housing First for Youth project accommodating and supporting vulnerable people between the ages of 16 and 25 in Aberystwyth
- A Universal Credit assistance project
- A Rough Sleeper Drop in facility in Aberystwyth
- Additional Warden services across 17 new units providing Temporary Emergency Accommodation

### *Social Lettings*

**51** properties and **117** individual units of accommodation

**74** tenancies using the Welsh Government bond scheme

### *Community Support & Befriending*

**378** hours of support per week to **58** individuals throughout Ceredigion and North Pembrokeshire

### *Charity Shop*

generating much needed unrestricted income

### *Shopmobility*

**295** scooter hires and **132** wheelchair hires

## The Care Society Board

Guy Evans
Executive Director

Anthony Hearn
Chair

John Rees
Vice Chair

Catherine Shaw

Margaret Gallagher

Rob Gray

Peter Saunders

Stephen Cripps

Tony Kitchen

# BOARD MEMBERS, EXECUTIVE OFFICERS, ETC

The membership of the Tai Ceredigion Board is set out below:

## Executive Officers:

Steve Jones
Group Chief Executive

Eleri Jenkins
Director of Housing and Support

Llŷr Edwards
Director of Property Services

Kate Curran
Group Director of Corporate Services & Company Secretary

## Chair:

Karen Oliver

## Vice Chair:

Stephen Cripps
(co-optee)

## Other Members:

Lynford Thomas
Peter Saunders
Cadwgan Thomas
John Jenkins
Catherine Shaw
Peter Deakin
John Rees
(co-optee)
Gwyn James
Mererid Boswell
(co-optee)

## Registered Office:

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

## Funders:

Barclays Capital
5 The North Colonnade
Canary Wharf
London
E14 4BB

## Bankers:

Barclays Bank plc
Harford Square
Lampeter
Ceredigion
SA48 7HF

## External Auditor:

Mazars LLP
Regus House
Falcon Drive
Cardiff Bay
Cardiff
CF10 4RU

## Internal Auditors:

Astari Shared Services
Valleys to Coast Housing
Tremains Business Park
Tremains Road
Bridgend
CF31 1TZ

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**Registered by the Welsh Government No. L151.**



# COUNCIL BOARD MEMBERS

Councillor
Lynford Thomas

- Vice Chair of the Joint Consultative Committee
- Background in Health and Safety consultancy
- Active member of the Aeron Valley community
- Board member since October 2012
- Passionate about the preservation of the Welsh way of life, the language, village schools and wherever possible, retaining young people within their locality.
- Fluent Welsh speaker

Councillor
Gwyn James

- Member of the Audit Committee
- Background in Agriculture and Mechanical Engineering
- Active member of both Penbryn/Llangrannog Communities
- Board member since Autumn 2018
- Passionate about the preservation of the Welsh way of life, the language, economic regeneration for rural communities and wherever possible, retaining young people within their locality.
- First language Welsh speaker

# TENANT BOARD MEMBERS

Catherine Shaw
Aberystwyth

- Former modern languages student at Aberystwyth University
- Member of the Tenant Steering Group while Tai Ceredigion was being formed
- Former long standing member and Minute Secretary of the Tai Ceredigion Monitoring Group
- Board member since November 2015
- Aims to ensure that tenants are considered in every Board decision and help Tai Ceredigion to continue to develop with tenants at the heart of its business.

Peter Deakin
Aberaeron

- Experience of renting in both the private and public sector
- Member of the Options Appraisal Panel prior to Tai Ceredigion being formed
- Held the positions of Chair, Vice Chair and Treasurer of the Tai Ceredigion Monitoring Group
- Board member since September 2016
- Strong believer in social housing and in social tenants being actively engaged with future developments.

# INDEPENDENT BOARD MEMBERS

**Karen Oliver**
Chair

- Solicitor with over fifteen years' experience in the social housing sector and former Director of Governance and Legal Services with Grŵp Gwalia
- Previously worked for a local authority and in private practice
- Volunteer and former Trustee of the Multiple Sclerosis Society
- Board member since November 2015
- Committed to ensuring the availability of good affordable housing within sustainable communities and understands the importance of involving and listening to tenants to help shape services.
- Active Welsh learner

**Peter Saunders**

- Chair of the Joint Consultative Committee
- Background in town planning, research and University lecturing
- Former Director of student services at John Moores University, Liverpool
- Active interest in social care and extra care housing
- Aims to help Tai Ceredigion to develop services that reflect the particular needs of mid Wales
- Keen Welsh learner

**Cadwgan Thomas**

- Chartered Quantity Surveyor and Head of Development at Hafod services
- Experience in the social housing sector since 1996
- Experience in overseeing the development of several refurbishments, new build housing schemes and care home projects
- Board member since September 2014
- Aims to assist Tai Ceredigion in achieving their goals in delivering new and exciting projects for the people and communities of the county
- Fluent Welsh speaker

**John Jenkins**

- Chair of the Audit and Performance Committee
- Chartered Accountant with experience of working in the City of London
- Self employed business consultant
- School Governor and a Director of a community interest company
- Board member since February 2015
- Believes that Tai Ceredigion is important to the people and economy of the county and the organisation should reflect the values and priorities of the local community

**Stephen Cripps**
Vice Chair Co-optee

- Former Chairman of Tai Ceredigion's Board of Management
- Former local government Chief Officer with about 30 years experience of working in local government in England
- Former Independent member of Ceredigion County Council's Ethics and Standards Committee
- Board co-optee since March 2016
- Aims to assist Tai Ceredigion in the provision of decent housing which is essential for good health, supports education and employment and helps to build strong local communities

**Mererid Boswell**
Co-optee

- Chartered accountant with experience of finance in the charity and public sector;
- Was a member of the shadow board (pre-transfer) and a previous Board Member and Chair of Audit & Performance Committee;
- Has lived in Ceredigion for 12 years and was an Aberystwyth Town Councillor;
- Treasurer of Arad Goch (a theatre company) and Chair of Camau Cyntaf i Ddysgu (a nursery provision charity);
- Head of Business and Finance for the Books Council of Wales.
- Fluent Welsh and English speaker and a Spanish learner.

**John Rees**
Co-optee

- Vice Chair of the Audit and Performance Committee
- Finance Manager at Coastal Housing Group
- Chartered Certified Accountant
- Currently sits on the ACCA South Wales Panel and assists with Advocacy, attending CPD events representing the ACCA and planning the CPD programme for South West Wales
- Passionate about the social housing sector and keen to use his knowledge and experience for the benefit of tenants
- Board co-optee since June 2017

# REPORT OF THE BOARD OF MANAGEMENT

The Board of Management present their report and the financial statements for the year ended 31 March 2020.

## PRINCIPAL ACTIVITIES

Tai Ceredigion 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.

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

It is a body whose primary purpose is to provide affordable rented housing to people in housing need. Tai Ceredigion was established with the help of Ceredigion County Council specifically to supply high quality affordable housing and excellent housing and community services to the people in Ceredigion and ensure that all properties are improved to meet the Welsh Housing Quality Standard.

Tai Ceredigion became Cymdeithas Gofal The Care Society's parent body on the 1st April 2018, Cymdeithas Gofal's principal activities are to promote Social Inclusion for the public benefit by preventing people from becoming socially excluded by reason of homelessness, at risk of losing their home, living in inadequate accommodation or unsettled circumstances in Ceredigion and surrounding counties.

## FIXED ASSETS

Details of changes to Tai Ceredigion's fixed assets are shown in notes 8 and 9 to the financial statements.

## PAYMENT OF CREDITORS

Tai Ceredigion 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 residents and the Board embraces the need for employees to be empowered and involved at every level of the organisation.

Tai Ceredigion 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. Tai Ceredigion is also committed to ensuring equality for all its employees and applicants for employment.

As a provider of social housing Tai Ceredigion is aware that the quality of life for many people has been undermined by discrimination and disadvantage. Tai Ceredigion is committed to responding to social diversity in today's society and strives to reflect this in its own organisational culture.

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

## HEALTH AND SAFETY

The Board is aware of its responsibilities for all matters relating to health and safety. Tai Ceredigion has detailed health and safety policies, complies with its statutory duties and provides staff training and education on health and safety matters. Regular progress is monitored through meetings of the Health & Safety Forum via the Joint Consultative Committee and by the Board.

## BOARD MEMBERS AND DIRECTORS

The Board members and senior executives who served during the year and to the present date are set out on pages 18-21. The Board is made up of 12 members, split between up to 4 tenant selected members, up to 2 nominated by Ceredigion County Council and up to 4 independent Board members. In addition, to fill in any skill gaps or qualifications up to 5 co-optees can be selected. Any tenant or resident can purchase a share for £1 and become a member of Tai Ceredigion.

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 Tai Ceredigion's Executive Management team. The directors are not Board members, hold no interest in Tai Ceredigion's shares and act as executives within the authority delegated by the Board.

Tai Ceredigion has insurance policies which indemnify its Board members and directors against liability when acting for Tai Ceredigion.

## 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 Dyfed Pension Fund, a defined benefit final salary pension scheme. They participate in the scheme on the same terms as all other eligible staff and Tai Ceredigion contributes to the scheme on behalf of its employees.

### Service Contracts

The directors are employed on the same terms as other staff, although their notice period is three months (Six months for the Group Chief Executive and Group Director of Corporate Services).

## TENANT INVOLVEMENT

We recognise that working in partnership with tenants is the best way of making sure that Tai Ceredigion delivers services that tenants want and value. Tai Ceredigion also believes that effective and meaningful tenant involvement is the best way of knowing whether services are being provided to the quality that customers are entitled to expect.

We actively encourage tenants' involvement in decision-making by developing and promoting varied and innovative mechanisms of involvement; tenants are actively involved in decisions that affect them.

# REPORT OF THE BOARD OF MANAGEMENT

## 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 control framework include:

### Identifying and Evaluating Key Risks

Tai Ceredigion 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 Tai Ceredigion 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 regularly receives 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 reviews by Internal Audit which provides independent assurance to the Board via its Audit and Performance Committee. The arrangements include a rigorous procedure, monitored by that committee, for ensuring that corrective action is taken in relation to any significant control issues.

## 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
- 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 Performance Committee has reviewed the effectiveness of the system of internal control in the Association for the year ended 31 March 2020. 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 auditor's report on the financial statements, and the Board are not aware of any such weaknesses from 1 April 2019 to date.

## GOING CONCERN

After making enquiries the Board has a reasonable expectation that Tai Ceredigion 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 of Management is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accepted Accounting Practice.

The Co-operative and Community Benefit Societies Act 2014 and Registered Social Landlord legislation require the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Tai Ceredigion and of the income and expenditure of Tai Ceredigion 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 Tai Ceredigion will continue in business.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Tai Ceredigion 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 Tai Ceredigion 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 Tai Ceredigion Board members, as set out on pages 19-21, confirm the following:

- so far as each Board member is aware, there is no relevant information needed by the Tai Ceredigion auditor in connection with preparing their report of which the auditor is unaware, and
- each Board member has taken all the steps that he/she ought to have taken as a Board member in order to make him/herself aware of any relevant information needed by Tai Ceredigion auditor in connection with preparing their report and to establish that Tai Ceredigion auditor is aware of that information.

Approved on the 24th July 2020 and signed on its behalf by:

Karen Oliver, Chair of the Board of Management

# GOVERNANCE

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

***Organisational Purpose***

***Decision Making, Risk and Control***

***Leadership***

***Board Effectiveness***

***Integrity***

***Diversity***

***Openness and Accountability***

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. Tai Ceredigion has assessed itself against the Code and is comfortable it applies the seven principles throughout the organisation.

Tai Ceredigion received its annual regulatory judgement from Welsh Government in March.

The judgement stated:

***Governance and Services - Standard***

- Identifies and manages new and emerging risks appropriately

***Financial Viability - Standard***

- Meets viability requirements and has the financial capacity to deal with scenarios appropriately

Standard is the highest level achievable.

Tai Ceredigion operates an assurance framework to ensure the Board and other stakeholders have evidence that risks are being mitigated, the association has good processes and controls, accurate data and reporting tools to assist with decision making.

# VALUE for MONEY

Value for Money is generally considered to cover three elements; economy, efficiency and effectiveness and can be summarised as:

**1. Economy**
doing things at the 'best price'

**2. Efficiency**
minimising waste and doing things the 'best way'

**3. Effectiveness**
doing the 'right things' by maximising the positive outcomes produced

Wales has added a fourth 'E' for consideration:

**Equity**
recognising diversity and spending fairly to ensure that those in greatest need are considered

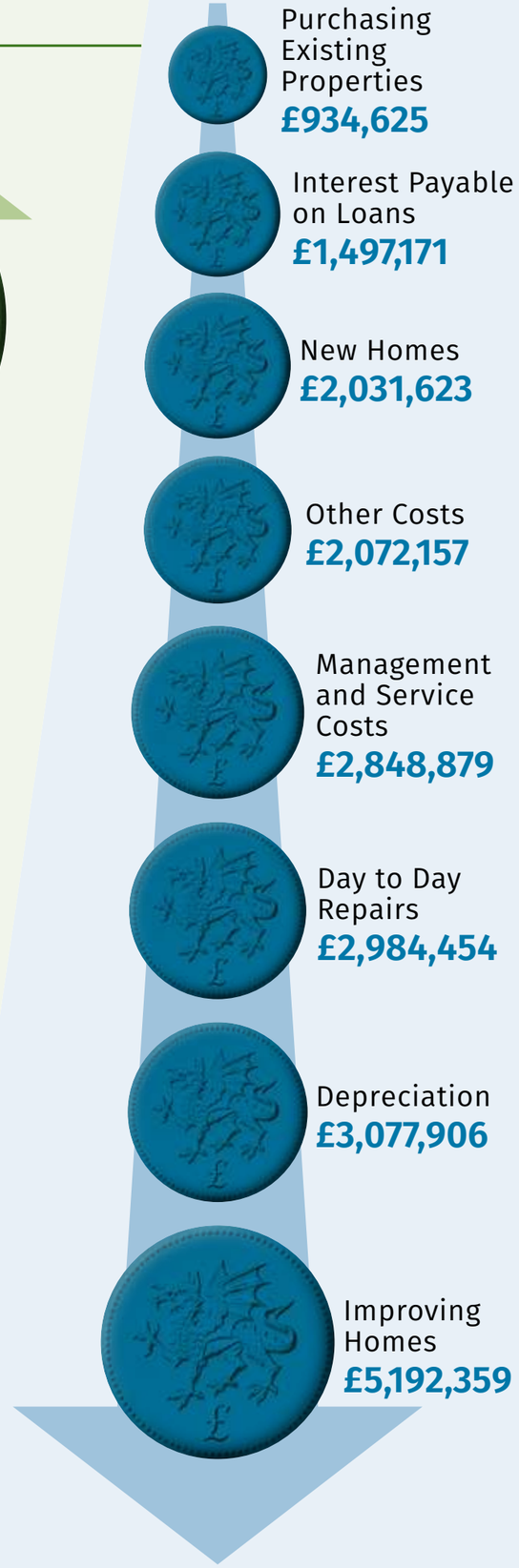
Tai Ceredigion has an extensive Value for Money policy which describes how Tai Ceredigion will strive to achieve high standards of value for money across the association by being economic, efficient and effective in the pursuit of social objectives that benefit a range of stakeholders. As organisations with social purpose, housing associations are committed to maximise value for their tenants, future tenants and the wider community.

The sector's global accounts have identified a suite of indicators used for assessing value for money and benchmarking across the sector.
Tai Ceredigion's results compared to sector averages are below:

## Value for Money Two Year Summary

| | Tai Ceredigion Results | | Sector Average |
|---|---|---|---|
| For the year ended 31 March | 2020 | 2019 | 2019 |
| Total operating cost per social housing unit | £4,801 | £3,058 | £3,345 |
| Management costs per social housing unit | £1,091 | £1,053 | £1,284 |
| Reactive costs per social housing unit | £1,292 | £1,103 | £1,144 |
| Major repairs & components per social housing unit (inc depreciation & impairment) | £1,018 | £1,417 | £887 |
| Bad debt costs per social housing unit | £28 | £19 | £45 |
| Weighted average cost of capital | 5.71% | 6.92% | 4.5% |
| Free cash inflow (outflow) per social housing unit | £195 | £751 | £585 |
| Gross arrears/social housing turnover | 1.8% | 2.0% | 4.7% |
| Turnover per social housing unit | £5,844 | £5,443 | £5,459 |
| Rental void loss per social housing unit | £54 | £40 | £72 |

## MONEY IN 2019/20




## MONEY OUT 2019/20

## FINANCIAL REVIEW

Tai Ceredigion reported a surplus of £2.9m for the year ended 31 March 2020 on a total turnover of £13.9m. An operating margin of 21% was achieved.
The results for the period and for 2019/20 are summarised in the table below:

| *Financial Highlights - Two Year Summary* | Tai Ceredigion Results | |
|---|---|---|
| For the year ended 31 March | 2020 | 2019 |
| Statement of Comprehensive Income | £'000 | £'000 |
| Total turnover | 13,962 | 13,450 |
| Income from Social Housing lettings | 12,697 | 12,344 |
| Depreciation | 3,078 | 2,759 |
| Amortisation | 294 | 244 |
| Interest payable | 1,580 | 1,502 |
| Surplus | 2,875 | 3,625 |
| Statement of Financial Position | £'000 | £'000 |
| Tangible fixed assets, at depreciated cost | 67,012 | 60,606 |
| Social Housing and other grants | 22,117 | 17,779 |
| Net current assets | 11,914 | 12,545 |
| Provision for pension liability | 4,859 | 3,281 |
| Long term loans | 24,538 | 23,273 |
| Total reserves | 11,451 | 11,020 |

## FINANCIAL RISKS

***Tai Ceredigion'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 2020, Tai Ceredigion had 88% of its loan liabilities on a fixed interest rate to ensure certainty of cashflows. Another risk is the loss of income due to Welfare reform or 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 of the business plan and prudence when setting budgets.

### Credit Risk

Tai Ceredigion's principal assets are bank balances and cash, rent arrears and other receivables. The amount 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, Tai Ceredigion uses a mixture of long term and short term finance which includes a revolver facility. As at year end Covid-19 had not impacted on the liquidity of the association and after further stress testing the association has enough liquidity until peak debt in 2023/24.

# INDEPENDENT AUDITOR'S REPORT

## to the Members of Tai Ceredigion Cyf

### *Opinion*

We have audited the financial statements of Tai Ceredigion Cyf (the parent association) and its subsidiary (the group) for the year ended 31 March 2020 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 Cashflows 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 2020 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.

### *Emphasis of matter - Going concern and the impact of the Covid-19 outbreak on the financial statements*

In forming our opinion on the Group and Tai Ceredigion Cyf financial statements, which is not modified, we draw your attention to the Board's view on the impact of the Covid-19 as disclosed on page 6, and the consideration in the going concern basis of preparation on page 25.

During the latter part of the financial year, there has been a global pandemic from the outbreak of Covid-19. The potential impact of Covid-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The impact of Covid-19 is still evolving and, based on the information available at this point in time, the Board have assessed the impact of Covid-19 on the business and reflected the Board's conclusion that adopting the going concern basis for preparation of the financial statements is appropriate.

### *Conclusions relating to going concern*

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

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

### *Other information*

The Board 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.

# INDEPENDENT AUDITOR'S REPORT

## to the Members of Tai Ceredigion Cyf (continued)

### *Responsibilities of the Board*

As explained more fully in the Statement of the Board's responsibilities set out on page 25, 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.

### *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.

Mazars LLP
Chartered Accountants and Statutory Auditor
Regus House
Falcon Drive
Cardiff Bay
Cardiff
CF10 4RU
Date 24/07/2020



# GROUP AND ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME

## for the year ended 31 March 2020

| | Note | Group 2020 £'000 | Group 2019 £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|---|
| **TURNOVER** | 2a | 14,606 | 14,109 | 13,495 | 12,946 |
| Less: Operating costs | 2a | (12,055) | (10,849) | (11,086) | (9,817) |
| Surplus on disposal of housing properties | 3 | 467 | 496 | 467 | 496 |
| **OPERATING SURPLUS** | 2a | 3,018 | 3,756 | 2,875 | 3,625 |
| Interest receivable | | 1 | 2 | 1 | 1 |
| Interest and financing costs | 7 | (1,592) | (1,515) | (1,580) | (1,502) |
| Impairment of investment property | 8 | (45) | - | (45) | - |
| **SURPLUS FOR THE YEAR** | 4 | 1,381 | 2,243 | 1,250 | 2,124 |
| Actuarial gains/(losses) on pension scheme | 19 | (820) | (677) | (820) | (677) |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | 561 | 1,566 | 430 | 1,447 |

# GROUP AND ASSOCIATION STATEMENT OF FINANCIAL POSITION

## as at 31 March 2020

| | Note | Group 2020 £'000 | Group 2019 £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|---|
| **TANGIBLE FIXED ASSETS** | | | | | |
| Housing properties - Gross cost less depreciation | 8 | 65,181 | 59,578 | 65,181 | 59,578 |
| Other property, plant and equipment | 9 | 2,271 | 1,462 | 1,832 | 1,028 |
| | | 67,451 | 61,040 | 67,012 | 60,606 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 10 | 17,975 | 19,482 | 17,678 | 19,283 |
| Inventories | 11 | 75 | 16 | 75 | 16 |
| Cash and cash equivalents | | 1,104 | 1,066 | 939 | 918 |
| | | 19,154 | 20,564 | 18,692 | 20,217 |
| **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR** | 12 | (6,899) | (7,814) | (6,778) | (7,672) |
| **NET CURRENT ASSETS** | | 12,255 | 12,750 | 11,914 | 12,545 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 79,706 | 73,790 | 78,926 | 73,151 |
| Pension liability | 19 | (4,859) | (3,481) | (4,859) | (3,481) |
| **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR** | 13 | (62,915) | (58,938) | (62,617) | (58,650) |
| **NET ASSETS** | | 11,932 | 11,371 | 11,451 | 11,020 |
| **CAPITAL AND RESERVES** | | | | | |
| Non-equity share capital | 14 | - | - | - | - |
| Revenue Reserves | | 11,932 | 11,371 | 11,451 | 11,020 |
| | | 11,932 | 11,371 | 11,451 | 11,020 |

The financial statements on pages 33-59 were approved by the Board on 24th July 2020 and were signed on its behalf by:

**Karen Oliver**
Chair of the
Board of Management

**John Jenkins**
Board Member

**Kate Curran**
Group Director of
Corporate Services
& Company Secretary

# GROUP AND ASSOCIATION STATEMENT OF CHANGES IN RESERVES

## for the year ended 31 March 2020

### *GROUP STATEMENT OF CHANGES IN RESERVES*

| | Revenue reserves £'000 | Total £'000 |
|---|---|---|
| At 1 April 2018 | 9,573 | 9,573 |
| Transfer reserves from The Care Society | 232 | 232 |
| Surplus for the year | 2,243 | 2,243 |
| Actuarial loss in respect of pension schemes | (677) | (677) |
| At 31 March 2019 | 11,371 | 11,371 |
| At 1 April 2019 | 11,371 | 11,371 |
| Surplus for the year | 1,381 | 1,381 |
| Actuarial loss in respect of pension schemes | (820) | (820) |
| At 31 March 2020 | 11,932 | 11,932 |

### *ASSOCIATION STATEMENT OF CHANGES IN RESERVES*

| | Revenue reserves £'000 | Total £'000 |
|---|---|---|
| At 1 April 2018 | 9,573 | 9,573 |
| Surplus for the year | 2,124 | 2,124 |
| Actuarial loss in respect of pension schemes | (677) | (677) |
| At 31 March 2019 | 11,020 | 11,020 |
| At 1 April 2019 | 11,020 | 11,020 |
| Surplus for the year | 1,250 | 1,250 |
| Actuarial loss in respect of pension schemes | (820) | (820) |
| At 31 March 2020 | 11,450 | 11,450 |

# GROUP STATEMENT OF CASHFLOWS

## for the year ended 31 March 2020

| | Note | 2020 £'000 | 2019 £'000 |
|---|---|---|---|
| **Net cash generated from operating activities** | A | 5,693 | 5,932 |
| **Cashflows from investing activities** | | | |
| Purchase of property, plant and equipment | | (9,554) | (11,045) |
| Proceeds from sale of property, plant and equipment | | 471 | 496 |
| Grants received | | 3,765 | 2,876 |
| Interest received | | 1 | 2 |
| Transfer from The Care Society | | - | 71 |
| **Net cashflow from investing activities** | | (5,317) | (7,600) |
| **Cashflows from financing activities** | | | |
| Finance costs paid | | (1,577) | (1,500) |
| New loans | | 2,650 | 3,100 |
| Repayment of borrowings | | (1,410) | (10) |
| Proceeds on issue of shares | | - | - |
| **Net cashflow from financing activities** | | (338) | 1,589 |
| **Net increase in cash and cash equivalents** | | 39 | (78) |
| Cash and cash equivalents at the beginning of the year | | 1,066 | 1,144 |
| Cash and cash equivalents at the end of the year | | 1,104 | 1,066 |
| **A Net cash generated from operating activities** | | | |
| Operating surplus for the year | | 3,018 | 3,756 |
| Adjustment for non cash items: | | | |
| Depreciation of fixed assets | | 3,098 | 2,793 |
| Amortisation of government grants | | (295) | (244) |
| Proceeds from sale PPE | | (471) | (496) |
| Decrease/(increase) in inventories | | (59) | - |
| Decrease/(increase) in debtors | | (4) | (352) |
| Increase/(decrease) in creditors | | 407 | 475 |
| **Net cash generated by operating activities** | | 5,693 | 5,932 |



# GROUP STATEMENT OF CASHFLOWS

## for the year ended 31 March 2020

### FREE CASHFLOW FOR THE YEAR (ASSOCIATION)

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| Net cash generated from operating activities | 5,654 | 5,824 |
| Interest paid | (1,566) | (1,489) |
| Interest received | 1 | 1 |
| **Adjustment for reinvestment in existing properties** | | |
| Component replacements | (5,192) | (4,168) |
| Purchase of other replacement fixed assets | (60) | (66) |
| Component replacement grant received | 1,616 | 1,609 |
| **Free cash generated before loan repayments** | 452 | 1,714 |
| Loans repaid (excluding revolving credit and overdrafts) | - | - |
| **Free cash generated after loan repayments** | 452 | 1,714 |

## 1. ACCOUNTING POLICIES

Tai Ceredigion Cyf is registered under the Co-operative and Community Benefit Societies Act 2014 and is a Registered Social Landlord. Tai Ceredigion has adopted charitable rules.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year, in accordance with FRS 102. Tai Ceredigion Cyf is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs preferred '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 2014 (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 consolidate the financial statements of Tai Ceredigion and its subsidiary, The Care Society, drawn up to 31 March each year.

### (c) 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.

### (d) 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

### (e) Depreciation

Freehold land is not depreciated.

*Housing properties*

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.

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. The major components other than the residual property element are depreciated over the following lives:

## 1. ACCOUNTING POLICIES (CONTINUED)

### (e) Depreciation (continued)

| Component | Lifecycle |
|---|---|
| Kitchen | 20 years |
| Bathroom | 25 years |
| Windows and doors | 30 years |
| Roof – pitched / concrete | 60 years |
| Roof – other | 20 years |
| Lift | 30 years |
| Central heating boilers | 15 years |
| Electrical rewire | 30 years |
| Insulation | 30 years |
| Structure | 100 years |

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.

*Other fixed assets*

Group depreciation is calculated to write off the cost of fixed assets on a straight line basis over their estimated useful lives. No depreciation is provided on freehold land. The principal lives used for other assets are:

| | |
|---|---|
| Freehold buildings | 25 years |
| IT Hardware | 5 years |
| Sheltered scheme fixtures & fittings | 5 years |
| Office furniture and equipment | 5 years |
| Motor vehicles | 4 years |
| Plant & equipment | 5 years |

Reviews for impairment of freehold buildings 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. Tai Ceredigion 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.

### (f) Inventories

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

### (g) Taxation

**VAT**

All income is shown net of VAT and expenditure is shown inclusive of irrecoverable VAT.

Tai Ceredigion has a VAT Shelter in place, approved by HMRC. The VAT shelter transfers the VAT cost of the works required to meet the Welsh Housing Quality Standard (WHQS) to Ceredigion County Council. The transactions are as follows:

- Under the transfer agreement the 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).
- The Council discharged its obligation to carry out the works under the Transfer Agreement by entering into a Development Agreement with Tai Ceredigion. This is a fixed price contract for £71,524,223 plus VAT of £10,728,633.

## 1. ACCOUNTING POLICIES (CONTINUED)

### (h) Taxation

**VAT (continued)**

Over the life of the Development Agreement, Tai Ceredigion is entitled to reclaim VAT on the costs it incurs from third parties for carrying out the WHQS works as detailed in the Development Agreement.

The SORP requires social landlords to recognise such payments in advance of work as prepayments and receipts in advance to be recognised as liabilities.

### (i) Corporate Tax

Tai Ceredigion group is not liable for Corporation Tax on its charitable status.

### (j) Pension Costs

**Dyfed Pension Fund (LGPS)**

Tai Ceredigion Cyf 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. 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 charged to revenue and included within finance costs. Remeasurement 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 other comprehensive income.

Ceredigion County Council transferred employees to Tai Ceredigion at the time of the stock transfer. Many of these were members of Dyfed Pension Fund with the pension liabilities on transfer fully funded by the Council, with subsequent costs to be incurred by Tai Ceredigion. Under the Council's actuarial valuation therefore, Tai Ceredigion took on a £nil net liability position on transfer.

New employees have the option of joining the Social Housing Pension Scheme (SHPS) or NEST.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of Tai Ceredigion, 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.

**Social Housing Pension Scheme**

Tai Ceredigion also participates in a defined contribution pension scheme administered by the Pensions Trust. Contributions payable for the year are charged to the Statement of Comprehensive Income.

The Care Society operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

### (k) Operating Leases

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

## 1. ACCOUNTING POLICIES (CONTINUED)

### (l) Sale of Housing Properties

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

Government grants are recognised using the accrual model 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.

### (n) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits, together with other short term highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

### (o) 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.

### (p) Financial Instruments

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

**Financial assets carried at amortised cost**

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

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 cashflows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cashflows expire, or when the financial asset and all substantial risks and reward are transferred.

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.

## 1. ACCOUNTING POLICIES (CONTINUED)

### (q) Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

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. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

## 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.

**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 management's best estimation of costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cashflows 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 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 any 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.

## 2a TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

| Group | 2020 Turnover £'000 | 2020 Operating Costs £'000 | 2020 Operating Surplus £'000 | 2019 Turnover £'000 | 2019 Operating Costs £'000 | 2019 Operating Surplus £'000 |
|---|---|---|---|---|---|---|
| Social housing lettings (Note 2b) | 12,687 | (11,028) | 1,659 | 12,344 | (9,732) | 2,612 |
| Other social housing activities | | | | | | |
| Garages | 257 | - | 257 | 203 | - | 203 |
| Medra services | 35 | (38) | (3) | 75 | (67) | 8 |
| Other grants | 145 | - | 145 | 200 | - | 200 |
| Donations | 13 | - | 13 | 6 | - | 6 |
| Promotion of social inclusion | 1,108 | (931) | 177 | 1,137 | (1,002) | 135 |
| Trading activities | 76 | (58) | 18 | 79 | (48) | 31 |
| Other revenue grants | 286 | - | 286 | 65 | - | 65 |
| | 14,606 | (12,054) | 2,551 | 14,109 | (10,849) | 3,260 |

| Association | 2020 Turnover £'000 | 2020 Operating Costs £'000 | 2020 Operating Surplus £'000 | 2019 Turnover £'000 | 2019 Operating Costs £'000 | 2019 Operating Surplus £'000 |
|---|---|---|---|---|---|---|
| Social housing lettings (Note 2b) | 12,697 | (11,048) | 1,649 | 12,344 | (9,732) | 2,612 |
| Other social housing activities | | | | | | |
| Garages | 257 | - | 257 | 203 | - | 203 |
| Medra services | 35 | (38) | (4) | 75 | (67) | 5 |
| Other revenue grants | 145 | - | 145 | 65 | - | 65 |
| Other | 362 | - | 362 | 259 | - | 259 |
| | 13,495 | (11,086) | 2,409 | 12,946 | (9,817) | 3,129 |

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

| | 2020 General needs and sheltered housing £'000 | 2020 Total £'000 | 2019 General needs and sheltered housing £'000 | 2019 Total £'000 |
|---|---|---|---|---|
| **INCOME** | | | | |
| Rent receivable | 11,532 | 11,532 | 11,186 | 11,186 |
| Service charge income | 612 | 612 | 654 | 654 |
| Grant amortisation | 294 | 294 | 244 | 244 |
| Supporting People | 259 | 259 | 260 | 260 |
| Turnover from social housing lettings | 12,697 | 12,697 | 12,344 | 12,344 |
| **COST** | | | | |
| Management costs | (2,520) | (2,520) | (2,385) | (2,385) |
| Service charge costs | (329) | (329) | (360) | (360) |
| Routine maintenance | (2,984) | (2,984) | (2,517) | (2,517) |
| Bad debts | (65) | (65) | (43) | (43) |
| Depreciation | (3,078) | (3,078) | (2,759) | (2,759) |
| Other costs | (2,072) | (2,072) | (1,668) | (1,668) |
| Operating costs on social housing lettings | (11,048) | (11,048) | (9,732) | (9,732) |
| Operating surplus on social housing lettings | 1,648 | 1,648 | 2,612 | 2,612 |
| Rent loss due to voids (memorandum note) | 124 | 124 | 92 | 92 |

## 3. SURPLUS ON DISPOSAL OF HOUSING PROPERTIES

| | Group 2020 £'000 | Group 2019 £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|
| Proceeds of sale of properties | 471 | 503 | 471 | 503 |
| Disposal expenses | (5) | (7) | (5) | (7) |
| Surplus on disposals | 466 | 496 | 466 | 496 |

## 4. SURPLUS FOR THE YEAR

| | Group 2020 £'000 | Group 2019 £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|
| The surplus for the year is stated after charging/(crediting): | | | | |
| Depreciation | 3,098 | 2,817 | 3,078 | 2,783 |
| External auditor's remuneration - in their capacity as auditors | 24 | 23 | 18 | 18 |
| Surplus on disposal of fixed assets | (497) | (496) | (466) | (496) |
| Amortisation of grant | (294) | (244) | (294) | (218) |

## 5. TAXATION

The Charitable activities of Tai Ceredigion Cyf and The Care Society are exempt from taxation under Section 505 of the Income and Corporation Taxes Act 1988.

## 6a. EMPLOYEES

| | | Group 2020 £'000 | Group 2019 (Revised) £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|---|
| **Average monthly number of employees (including Executive Directors) expressed as full time equivalents** | | | | | |
| Administration | | 14 | 14 | 10 | 10 |
| Operational services | - Office based | 57 | 61 | 57 | 61 |
| | - Scheme managers and cleaners | 17 | 13 | 17 | 13 |
| | - Community repairs team | 59 | 60 | 59 | 60 |
| | - Charitable activities | 26 | 23 | - | - |
| | | 173 | 171 | 143 | 144 |
| **Staff costs:** | | | | | |
| Wages and salaries | | 4,371 | 4,224 | 3,793 | 3,734 |
| Social security costs | | 384 | 370 | 343 | 339 |
| Pension costs | | 300 | 288 | 291 | 282 |
| Total | | 5,055 | 4,882 | 4,428 | 4,355 |

## 6a. EMPLOYEES (CONTINUED)

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

| | Group 2020 £'000 | Group 2019 £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|
| **Salary band** | | | | |
| £50,000 - £59,999 | 3 | 3 | 3 | 3 |
| £60,000 - £69,999 | 2 | 1 | 2 | 1 |
| £70,000 - £79,999 | - | - | - | - |
| £80,000 - £89,999 | - | 1 | - | 1 |
| £90,000 - £99,999 | 2 | 1 | 2 | 1 |
| £100,000 - £109,999 | 1 | 1 | 1 | 1 |
| £110,000 - £119,999 | - | - | - | - |
| £120,000 - £129,999 | - | - | - | - |
| £130,000 - £139,999 | 1 | 1 | 1 | 1 |

## 6b. KEY MANAGEMENT PERSONNEL REMUNERATION

| | Group 2020 £'000 | Group 2019 £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|
| Wages and Salaries | 698 | 698 | 586 | 602 |
| Social Security Costs | 82 | 82 | 70 | 71 |
| Other Pension Costs | 74 | 74 | 72 | 72 |
| **Board Members** | | | | |
| Wages and Salaries | - | - | - | - |
| Social Security Costs | - | - | - | - |
| Other Pension Costs | - | - | - | - |
| Expenses | 7 | 3 | 7 | 3 |
| | 846 | 857 | 735 | 748 |
| Remuneration of the Group Chief Executive excluding pension contributions | 119 | 116 | 119 | 116 |

The Group Chief Executive is an ordinary member of the Local Government pension scheme and no enhanced or special terms apply.

## 7. INTEREST AND FINANCING COSTS

| | Group 2020 £'000 | Group 2019 £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|
| Interest on loans - repayable by instalments in | | | | |
| 1-5 years | 497 | - | 497 | - |
| more than 5 years | 1,009 | 1,447 | 997 | 1,435 |
| Pension finance costs (see note 19) | 86 | 67 | 86 | 67 |
| | 1,592 | 1,515 | 1,580 | 1,502 |

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

| | Housing Properties Completed £'000 | Housing Properties Under Construction £'000 | Housing Properties Held for Sale £'000 | Total £'000 |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 April 2019 | 63,105 | 9,038 | 17 | 72,160 |
| Additions | 8,219 | 258 | - | 8,477 |
| Disposals | (28) | - | (17) | (45) |
| At 31 March 2020 | 71,296 | 9,296 | - | 80,592 |
| **DEPRECIATION** | | | | |
| At 1 April 2019 | 12,579 | - | 3 | 12,582 |
| Charge in year | 2,861 | - | 14 | 2,875 |
| Disposals | (28) | - | (17) | (45) |
| At 31 March 2020 | 15,411 | - | - | 15,411 |
| **NET BOOK VALUE** | | | | |
| At 31 March 2020 | 55,885 | 9,296 | - | 65,181 |
| At 31 March 2019 | 50,526 | 9,038 | 14 | 59,578 |

Tai Ceredigion acquired the housing stock from Ceredigion County Council at zero value on the basis that the expenditure required to bring the properties up to the Welsh Housing Quality Standard exceeded the value of the properties, based on a valuation carried out by Savills.

**Additions to completed properties held for letting**

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| Replacement of components | 5,192 | 4,168 |
| Purchase of existing properties | 935 | 1,243 |
| Developments | 2,032 | 2,177 |
| Improvements | 61 | 66 |
| | 8,219 | 7,654 |
| Charged to Statement of Comprehensive Income | 2,984 | 2,517 |
| Total expenditure on completed properties | 11,203 | 10,171 |

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

| COST | Land £'000 | Freehold properties £'000 | Leasehold buildings £'000 | Commercial properties £'000 | Office improvement £'000 | IT equipment £'000 | Vehicles/ other £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|---|
| At 1 April 2019 | 299 | 345 | 410 | 340 | 116 | 1,222 | 924 | 3,655 |
| Additions | - | 11 | 8 | - | - | 250 | 140 | 409 |
| Work in Progress | | | | 668 | - | - | - | 668 |
| Disposals | - | - | - | - | - | - | (58) | (58) |
| At 31 March 2020 | 299 | 356 | 418 | 1,008 | 116 | 1,472 | 1,005 | 4,674 |
| **DEPRECIATION** | | | | | | | | |
| At 1 April 2019 | - | 115 | 92 | 7 | 47 | 1,031 | 767 | 2,059 |
| Charge in year | - | 14 | 17 | - | 6 | 79 | 106 | 223 |
| Disposals | - | - | - | - | - | - | (58) | (58) |
| At 31 March 2020 | - | 129 | 109 | 7 | 53 | 1,111 | 814 | 2,223 |
| **IMPAIRMENT** | | | | | | | | |
| At 1 April 2019 | - | - | - | 135 | - | - | - | 135 |
| Charge in year | - | - | - | 45 | - | - | - | 45 |
| At 31 March 2020 | - | - | - | 180 | - | - | - | 180 |
| **NET BOOK VALUE** | | | | | | | | |
| At 31 March 2020 | 299 | 227 | 309 | 821 | 63 | 361 | 191 | 2,271 |
| At 31 March 2019 | 299 | 230 | 318 | 198 | 69 | 191 | 157 | 1,462 |



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

| COST | Land £'000 | Leasehold buildings £'000 | Commercial properties £'000 | Office improvement £'000 | IT equipment £'000 | Vehicles/ other £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|
| At 1 April 2019 | 156 | 410 | 340 | 52 | 1,210 | 916 | 3,085 |
| Additions | - | 8 | - | - | 247 | 129 | 384 |
| Work in Progress | - | - | 668 | - | - | - | 668 |
| Disposals | - | - | - | - | - | (58) | (58) |
| At 31 March 2020 | 156 | 418 | 1,008 | 52 | 1,457 | 986 | 4,079 |
| **DEPRECIATION** | | | | | | | |
| At 1 April 2019 | - | 92 | 7 | 37 | 1,024 | 760 | 1,923 |
| Charge in year | - | 17 | - | 4 | 78 | 104 | 203 |
| Disposals | - | - | - | - | - | (58) | (58) |
| At 31 March 2020 | - | 110 | 7 | 40 | 1,102 | 808 | 2,067 |
| **IMPAIRMENT** | | | | | | | |
| At 1 April 2019 | - | - | 135 | - | - | - | 135 |
| Charge in year | - | - | 45 | - | - | - | 45 |
| At 31 March 2020 | - | - | 180 | - | - | - | 180 |
| **NET BOOK VALUE** | | | | | | | |
| At 31 March 2020 | 156 | 309 | 911 | 12 | 355 | 178 | 1,832 |
| At 31 March 2019 | 156 | 318 | 198 | 15 | 187 | 157 | 1,028 |

## 10. DEBTORS

| | Group 2020 £'000 | Group 2019 £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|
| Gross rent and service charge arrears | 259 | 317 | 227 | 267 |
| Less: provision for bad debts | (130) | (111) | (123) | (86) |
| Net rent arrears | 129 | 206 | 104 | 181 |
| Prepayments and accrued income | 1,579 | 1,421 | 1,308 | 1,247 |
| | 1,709 | 1,627 | 1,412 | 1,428 |
| Amounts falling due after more than one year: | | | | |
| VAT Shelter agreement | 16,266 | 17,856 | 16,266 | 17,855 |
| | 17,975 | 19,482 | 17,678 | 19,283 |

## 11. INVENTORIES

| | Group 2020 £'000 | Group 2019 £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|
| Stock of materials | 75 | 16 | 75 | 16 |

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

| | Group 2020 £'000 | Group 2019 £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|
| Trade creditors | 1,509 | 1,457 | 1,480 | 1,428 |
| Rent charges received in advance | 365 | 324 | 308 | 267 |
| Social Housing Grant received in advance | 3,636 | 4,529 | 3,637 | 4,529 |
| Government grants deferred income | 308 | 258 | 305 | 258 |
| Loans | 11 | 10 | - | - |
| Accruals and other creditor | 1,069 | 1,246 | 1,048 | 1,190 |
| | 6,898 | 7,814 | 6,778 | 7,672 |

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

| | Group 2020 £'000 | Group 2019 £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|
| Loan due after more than one year | 24,815 | 23,561 | 24,538 | 23,273 |
| Government grants – deferred income | 21,834 | 17,521 | 21,812 | 17,521 |
| VAT shelter agreement | 16,266 | 17,856 | 16,266 | 17,856 |
| | 62,916 | 58,938 | 62,617 | 58,650 |

Housing loans are secured by a charge on the total property stock owned by Tai Ceredigion following transfer. To fund the Welsh Housing Quality Standard works Tai Ceredigion has arranged a loan facility of £35m, to be drawn down over several years.

### Debt Analysis - Housing Loans

| | Group 2020 £'000 | Group 2019 £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|
| One year or less | - | - | - | - |
| More than one and less than two years | - | - | - | - |
| More than two and less than five years | 10,035 | 7,526 | 10,035 | 7,526 |
| In more than five years | 14,503 | 15,747 | 14,503 | 15,747 |
| | 24,538 | 23,273 | 24,538 | 23,273 |

£20m is drawn down from our facility with Barclays Bank on fixed interest rates, £4.35m is drawn down on a variable rate. At 31 March 2020, Tai Ceredigion has un-drawn loan facilities of £10.65m.

### Deferred Income - Government Grants

| | Group 2020 £'000 | Group 2019 £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|
| **At 1 April 2019** | 17,779 | 14,881 | 17,779 | 14,881 |
| Grant receivable | 3,058 | 1,542 | 3,033 | 1,542 |
| Grant receivable – WG Dowry | 1,600 | 1,600 | 1,600 | 1,600 |
| Amortisation to Statement of Comprehensive Income | (295) | (244) | (294) | (244) |
| At 31 March 2019 | 22,142 | 17,779 | 22,117 | 17,779 |
| Due within one year | 308 | 258 | 305 | 258 |
| Due after one year | 21,834 | 17,521 | 21,812 | 17,521 |

## 14. NON-EQUITY SHARE CAPITAL

| | Group 2020 | Group 2019 | Association 2020 | Association 2019 |
|---|---|---|---|---|
| Shares at £1 each, allotted and issued | | | | |
| As at 1 April 2019 | 262 | 255 | 262 | 255 |
| Issued during the year | 3 | 7 | 3 | 7 |
| At 31 March 2020 | 265 | 262 | 265 | 262 |

## 15. CAPITAL COMMITMENTS

| | Group 2020 | Group 2019 | Association 2020 | Association 2019 |
|---|---|---|---|---|
| Capital expenditure contracted but not provided for in the financial statements | 4,719 | 3,810 | 4,719 | 3,810 |
| Capital expenditure authorised by the Board but not contracted | 6,905 | 5,130 | 6,905 | 5,130 |

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

## 16a. OTHER FINANCIAL COMMITMENTS (GROUP)

| | 2020 Land and Buildings £'000 | 2020 Other £'000 | 2019 Land and Buildings £'000 | 2019 Other £'000 |
|---|---|---|---|---|
| Other leases which expire: | | | | |
| Within one year | 63 | 16 | 150 | 18 |
| Within one to five years | 55 | 23 | 259 | 13 |
| | 119 | 39 | 409 | 31 |

## 16b. OTHER FINANCIAL COMMITMENTS (ASSOCIATION)

| | 2020 Land and Buildings £'000 | 2020 Other £'000 | 2019 Land and Buildings £'000 | 2019 Other £'000 |
|---|---|---|---|---|
| Other leases which expire: | | | | |
| Within one year | - | 16 | - | 18 |
| Within one to five years | - | 23 | - | 13 |
| | - | 39 | - | 31 |

## 17. HOUSING STOCK (GROUP)

| | 2020 Number | 2019 Number |
|---|---|---|
| **Number of units in management** | | |
| **Housing accommodation for letting:** | | |
| General housing | 1,962 | 1,937 |
| Sheltered housing | 313 | 313 |
| Intermediate rents | 34 | 32 |
| Total rented | 2,309 | 2,282 |
| **Other units** | | |
| Right-to-buy leases | 110 | 115 |
| Shared ownership | - | - |
| Garages | 682 | 682 |
| Commercial property leases | - | - |

## 18. FINANCIAL INSTRUMENTS

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

| | Group 2020 £'000 | Group 2019 £'000 | Association 2020 £'000 | Association 2019 £'000 |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Measured at discounted amount receivable | | | | |
| Rent arrears financing transactions (see note 10) | 259 | 317 | 227 | 267 |
| **Financial Liabilities** | | | | |
| Measured at amortised cost | | | | |
| Loans payable (see note 13) | 24,816 | 23,561 | 24,538 | 23,273 |
| Measured at undiscounted amount payable | | | | |
| Trade and other creditors (see note 12) | 1,509 | 1,457 | 1,480 | 1,428 |
| | 26,325 | 25,018 | 26,018 | 24,701 |

## 19. PENSION SCHEME

Tai Ceredigion participates in the Dyfed Pension Fund.
The following information has been received from the Fund's actuaries.
For the year commencing 1 April 2019 the employer contributions will be 15.8% of pensionable pay.
The budgeted Current Service Cost for the year commencing 1 April 2019 is approximately 30.4% of pensionable salaries which is expected to result in an approximate service cost of £379,000.

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

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| Present value of funded benefit obligations | 15,632 | 14,847 |
| Present value of unfunded benefit obligations | - | - |
| Total present value of benefit obligations | 15,632 | 14,847 |
| Fair value of plan assets | (10,773) | (11,366) |
| Unrecognised past service cost | - | - |
| Deficit | 4,859 | 3,481 |
| **Components of pension cost for year to 31 March** | | |
| Current Service Cost | 398 | 359 |
| Interest on Pension Liabilities | 86 | 67 |
| Administration Expenses | 4 | 7 |
| Past service cost (gain) | 238 | - |
| Effect of Curtailments or Settlements | - | - |
| Effect of asset ceiling | - | - |
| Total pension cost recognised in SOCI | 726 | 433 |
| **Statement of other comprehensive income** | | |
| Remeasurements (liabilities & assets) | 1,020 | 677 |
| Effect of asset ceiling | - | - |
| Total remeasurements included in the SOCI | 1,020 | 677 |

## 19. PENSION SCHEME (CONTINUED)

**Additional disclosure items**

| | Assets at 31 March 2020 | | Assets at 31 March 2019 | |
|---|---|---|---|---|
| | £'000 | % | £'000 | % |
| Equities | 7,886 | 73.2 | 7,843 | 69.0 |
| Government bonds | 420 | 3.9 | 693 | 6.1 |
| Other bonds | 1,088 | 10.1 | 1,216 | 10.7 |
| Property | 1,325 | 12.3 | 1,546 | 13.6 |
| Cash/liquidity | 54 | 0.5 | 68 | 0.6 |
| Other | - | - | - | - |
| **Total** | 10,773 | | 11,366 | |

**Change in benefit obligation during year to 31 March 2020**

| | £'000 Unfunded Benefits | £'000 All Benefits | |
|---|---|---|---|
| Benefit obligation at beginning of year | - | 14,647 | |
| Current service cost | - | 398 | (35.9% of pensionable payroll) |
| Interest on pension liabilities | - | 370 | |
| Member contributions | - | 80 | |
| Past service cost | - | 238 | |
| **Remeasurement (liabilities)** | | | |
| Experience (gain)/loss | - | 551 | (3.5% of period end liabilities) |
| (Gain)/loss on assumptions | - | (432) | (2.8% of period end liabilities) |
| Curtailments | - | - | |
| Settlements | - | - | |
| Benefits/transfers paid | - | (220) | |
| Business combinations | - | - | |
| Benefit obligation at end of year | - | **15,632** | |
| **Change in plan assets during year to 31 March 2020** | | | |
| Fair value of plan assets at beginning of year | - | 11,366 | |
| Expected return on plan assets | - | 284 | |
| Remeasurement (assets) | - | (901) | (8.4% period end assets) |
| Administration expenses | - | (4) | |
| Business combinations | - | - | |
| Settlements | - | - | |
| Employer contributions | - | 168 | |
| Member contributions | - | 80 | |
| Benefits/transfers paid | - | (220) | |
| Fair value of plan assets at end of year | - | **10,773** | |
| **Actual Return on plan assets** | | **829** | (7.7% of period end assets) |

## 19. 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 | 2.2% | 2.1% |
| Rate of increase in salaries | 3.7% | 3.6%* |
| Rate of increase in pensions | 2.3% | 2.2% |
| Discount rate | 2.5% | 2.4% |

** an adjustment has been made for short term public sector pay restraint in line with the most recent actuarial valuation*

**Whole fund asset details**

| | Value (£m) | Determined as at |
|---|---|---|
| Last actuarial valuation | 2,576 | 31 March 2019 |
| Start of period | 2,576 | 31 March 2019 |
| End of period | 2,389 | 31 March 2020 |

## 20. RELATED PARTIES

Tai Ceredigion is managed by a Board of Management (the Board) of up to twelve people. Two of the Board members are tenants. The tenancies are provided based on the Tai Ceredigion's standard terms. During the financial year 2019/20, rent received from tenant Board members was £10,176. The Board members cannot use their position to their advantage. Two of the Board members are Councillors of Ceredigion County Council. Any transactions with the Council are made at arm's length, on normal commercial terms and the Council Board members cannot use their position to the Council's advantage. Payments made to the Ceredigion County Council during 2019/20 are summarised below:

| | | | |
|---|---|---|---|
| Sewage & Treatment Works | £28,889 | Housing Benefit Overpayment | £5,540 |
| Service Level Agreements | £39,934 | Misc Payments | £2,249 |
| Payroll Deduction | £4,157 | Aids and Adaptations | £102,477 |
| Council Tax/ NNDR | £28,935 | Training | £2,341 |
| Planning Fees/Building Regulations | £8,344 | | £222,867 |

As at 31st March 2020, Tai Ceredigion held Ceredigion County Council as a creditor in its Statement of Financial Position to the value of £14,063 for payment of NNDR, Council Tax and planning fees. It also held Ceredigion County Council as a debtor to the value of £58,898 for the 4th quarter Supporting People charge (£53,289) and miscellaneous recharges.

The remaining Board members are all independent members.

As of 1st April 2018, Tai Ceredigion entered a voluntary merger with The Care Society and became the Charity's parent organisation. Any transactions made between The Care Society and Tai Ceredigion are made at arm's length on a commercial basis. During 2019/2020 the detail of invoices and payments made to The Care Society are summarised:-

| | Invoiced | Paid | Outstanding |
|---|---|---|---|
| Quarterly Wardening as per SLA | £19,638 | £14,988 | £4,649 |
| Utility Costs | £604 | £604 | - |
| Executive Director Hours as per SLA | £54 | £54 | - |
| Staff Reimbursement | £14 | £14 | - |
| | **£20,312** | **£15,663** | **£4,649** |

## 20. RELATED PARTIES (CONTINUED)

The Care Society is a tenant of Tai Ceredigion in one property, during the financial year 2019/20, rent received from The Care Society was £9,904.

As at 31st March 2020, Tai Ceredigion held The Care Society as a creditor balance of £4,649. It also held The Care Society as a debtor balance of £33,214, details shown below for clarity:-

| | Invoiced | Paid | Outstanding |
|---|---|---|---|
| Output VAT | £39,272 | £39,272 | - |
| IT Equipment | £16,955 | £1,456 | £15,499 |
| Container Hire | £782 | £551 | £231 |
| SLA Finance, IT & HR | £69,935 | £52,451 | £17,484 |
| Misc invoices including; training, audit fee and set up costs for Yr Albion project | £13,481 | £13,481 | - |
| Additional Staff Costs | £913 | £913 | - |
| Service Charges Collected by TCS | £166 | £166 | - |
| | **£141,506** | **£108,990** | **£33,214** |

Within note 10 there is £24,917 included in the prepayments, accrued income and other debtors relating to Output VAT claimed by the group of £24,871 for January to March 2020.

During 2019/20 Tai Ceredigion have been undertaking merger discussions with Mid-Wales Housing, on the 19th May 2020 a formal agreement to merge was agreed by both Boards. As at 31st March 2020, Tai Ceredigion held Mid-Wales Housing as a creditor balance of £0.00. It also held The Care Society as a debtor balance of £3,138, details shown below for clarity:-

| | Invoiced | Paid | Outstanding |
|---|---|---|---|
| SLA for Wardening Service | £49,178 | £46,041 | £3,138 |

There is an additional £1,019 included in note 10 Prepayments, accrued income and other debtors for work carried out but not invoiced in 2019/20.

## 21. DEVELOPMENT AGREEMENT

Tai Ceredigion Cyf 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 Tai Ceredigion. The works contracted will be carried out over a period of time and will be recognised as they are undertaken, in accordance with the accounting policy for major, cyclical and responsive repairs. In the event that Tai Ceredigion chooses not to complete the works specified, the development agreement may be terminated at no financial loss to Tai Ceredigion. Please refer to Notes 10 and 13 for amounts outstanding at 31 March 2020.

## 22. POST BALANCE SHEET EVENTS

On the 19th May 2020, the boards of Tai Ceredigion and Mid-Wales Housing formally agreed to merge both organisations and their subsidiaries into a new group structure as at 1st October. After shareholder approval, there will be a transfer of engagements from Mid-Wales Housing to Tai Ceredigion, the Parent will then change its name to Barcud, which is Welsh for Red Kite, a bird which is synonymous to the mid Wales region.

Early 2020 saw the developing national emergency arising from the Coronavirus pandemic. The future and consequences of the pandemic is still very uncertain and the Executive Team, other staff members and the Board are consistently reviewing how we work and continue to provide services and support to our tenants. The income of the group has been under review and various stress testing of the financial plan for scenarios such as increased rent arrears and void costs have been considered and reported to Board.