

Cardiff Community Housing Association

**Co-operative and Community Benefit Societies
Registered number: 21667R**

Welsh Government registration number: L035

**Financial statements
for the year ended 31 March 2023**

Cardiff Community Housing Association

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Cardiff Community Housing Association

Board of Management, Senior Executives and Advisors

Board of Management (Voting members):

Ms J Beauchamp
Ms E Britton
Ms V Nawathe
Mr M Owen (Chair)
Mr S Rooks (Vice Chair)
Ms M Wade (Resigned 31/7/22)
Mr A Singh
Ms A Yusuf (Resigned 31/7/22)
Mr F Maghiya
Ms D Ketter
Ms K Chamberlain (Appointed 1/5/2022)
Mr N Harries (Full Board member from 1/5/2022)
Ms O Owolabi (Appointed 1/2/2023)

Independent member of the Audit Committee (Non-voting)

Ms F Ahmed (Appointed 1/5/2022)

Senior Executives

Ms H Selway Chief Executive
Mr B Pickett Deputy Chief Executive and Company Secretary
Mr J Jones Corporate Director - Assets and Property
Ms E Evans Corporate Director - People and Communities

Registered Office

Tolven Court
Dowlais Road
Cardiff
CF24 5LQ

External Auditors

Bevan Buckland LLP
Cardigan House, Castle Court
Enterprise Park
Swansea
SA7 9LA

Principal Bankers

Barclays Bank plc,
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GN

Internal Auditors

Mazars LLP
First Floor, Two Chamberlain Square
Birmingham
B3 3AX

Strategic report

2022-23 has been another challenging year for us and our tenants. We knew this was going to be the case as high inflation started to affect the UK economy, which affected all of life's essentials from food to fuel. This has affected so many across the UK, but it has disproportionately affected the people we house.

We have been very focused on improving services for tenants. Our STAR survey results from late 2021 continues to be our motivation for doing things better. We believe we have made real improvements in repairs and maintenance, we have restructured our housing and community teams and focused upon estate services. Our restructured housing and communities' team has now bedded down during 2022-23. We have increased our neighbourhood managers team who now work closely with the 350 homes in their area. We think we now know our tenants, and this allows us to provide the support and services when needed.

Our tenants told us that they were unhappy with many of our estate services. We are continuing to work with tenant groups to review each estate and this work will be finished this year. One of the biggest changes in 2022-23 was that we reduced around 30 per cent of service charges for tenants in 2023-24. We have changed delivery of key services and have brought in-house grounds maintenance and cleaning services. We think this is a fundamental step in providing better estate services as we focus on quality and the timeliness of service.

Our dedicated Money Team have also come into its own during the year. Arrears of rent were rising at a slow pace during the first three quarters of the year. However, this team successfully focused its efforts in the

final quarter to bring in over £0.4 million. We worked closely with tenants in rent arrears and with Cardiff Council through the Discretionary Housing Payments and Preventing Homelessness Fund. This work has benefited tenants removing the debt, the worry of legal action and has given many a fresh start. For us, it has helped manage our overall arrears position.

All these measures have been undertaken against a very tight fiscal position for both ourselves and our tenants. Against this background we have managed our finances to bring our year end results which have been broadly in line with the financial plans we set ourselves. Our active financial management throughout the year meant we have changed plans to maximise the impact of our spend for tenants, whilst working within our financial parameters.

Our operating surplus for the year increased from £3.36 million in 2021-22 to £3.43 million for 2022-23. We continue to invest heavily in our current homes putting us at one of the highest levels of investment across the whole of housing associations in Wales. Our revenue spend on maintenance increased by over £0.5 million between the two years. We have invested a further £3.43 million in capital expenditure in our existing stock, with £0.95 million being funded by Welsh Government grant. Our investment covered 183 kitchens, 52 bathrooms, 65 windows and 179 doors as well as 15 boilers and eight roofs.

Following Welsh Government's changes to Physical Adaptation Grants (PAGs), we have managed these in a different way. However, we built in the flexibility to take up any additional grant which became available. Our initial Welsh Government allocation was increased to £0.64 million in the year.

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Overall, this allowed us to complete 173 PAGs, meaning these tenants can remain in their homes with an improved quality of life. Our increase in core funded maintenance continues to show our commitment to invest in our current homes, to improve the quality of homes for our existing tenant base.

Whilst we concentrate on improving the services to those already housed, we still have a programme of new housing developments on the go. Developing new affordable homes continues to be a challenge from many different aspects. I am pleased we continued to handover homes in Lisvane in conjunction with Bellway Homes. We have also restarted our block in Adamsdown, which should deliver 35 new apartments in the latter half of 2023. During the year we have bought some premises on Clifton Street supporting the local authority's regeneration aspirations for that area of Cardiff.

Despite our size we still have a commitment to wider communities, and we have continued our employability programmes. We continue to operate our three community spaces, in Butetown, Tremorfa and Trowbridge bringing them into a more sustainable financial future. These are key areas for staff to meet our tenants and people from the wider communities as well as provide spaces for local community activities.

Our work around equalities and diversity is embedded in everything we do. We want our workforce and governance structure to mirror the diversity of tenants. In addition to the core approach to this, we have been the architect with other partner housing associations on two specific projects. The first is "Pathway to Board", which aims to increase diversity at board level. We continue to work with four other Cardiff based housing

associations, on developing the skills and confidence to allow people from a diverse background, to secure spaces on Boards. During 2022-23 the first cohort completed the programme and seven participants secured Board positions. We have just launched the second phase of this project, and housing associations outside of Cardiff have become part of the programme.

The other specific project in our work around diversity is the "Get into Housing" initiative. This gives individuals from ethnically diverse background who are long term unemployed 16 weeks paid work experience within a housing association setting. A significant proportion of participants have gone onto full time employment.

I hope this short narrative gives a good flavour of what has been a successful but very challenging year for both us and tenants. As a Board, we remain determined to make CCHA the very best organisation with the very best services for our tenants and creating opportunities for our community. We are proud of all the people working for us under the leadership of Hayley our Chief Executive and her excellent executive team.

We hope we remain an organisation that challenges itself to always do better.



Michael Owen
Board Chair
July 2023

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Annual Governance Statement / Statement of Internal Control

Corporate Strategy

The Board continued its strategic direction of the organisation during 2022/23. The Corporate strategy operates within the business framework which the Board has set. Our plan is split into the following strategic headings:

- Caring Landlord;
- A Community Champion and Anchor Organisation;
- An Employer of Choice;
- An Exceptional Developer of Affordable Homes; and
- An Organisation that 'Sets the Standard in Governance'.

We are a community-based housing association whose main business aims are to provide a wide range of high-quality homes and services, supporting and regenerating the communities in Cardiff. CCHA will achieve this by:

- Providing great homes and excellent services;
- Understanding the needs of the communities that we serve and will be an active advocate for their wellbeing and future;
- Recruiting and retaining a community focussed, diverse workforce who enjoy working as part of the team and act as ambassadors for the organisation;
- Working in partnership to develop new homes that contribute positively to our neighbourhoods and meet the diverse housing needs of the future;

- Be an exemplar in sound governance;
- Understanding the varied needs of the communities we serve and will be an advocate for their well-being and future; and
- Work in partnership to develop and sustain prosperous and resilient communities of opportunity.

As we transitioned out of national Covid-19 restrictions towards the end of 2021/22 we entered a period of relative operational normality in terms of restriction-free engagement with our tenants. Whilst we responded and mitigated the risks presented by the pandemic, 2022/23 presented its own set of risks. Rising inflation, volatility with material costs and growing labour market challenges presented a different set of challenges. Ongoing Brexit challenges and the invasion of Ukraine added to an exceptional operating environment not seen in three decades.

The principal risks were concerns with the cost-of-living impact on our tenants, particularly with core inflation risks with food and energy costs. Our rent arrears grew throughout the year up to the end of the third quarter. During the year we completed a restructure of our housing directorate to have more closer focus on support for tenants with smaller patches. This support together with significant successes with discretionary housing payments (DHPs) towards the end of the year kept many tenancies sustainable. Whilst this risk materialised throughout the year, its impact reduced following over £400K of DHP's.

The inflationary environment had an impact on increase of materials and other costs which we managed over the period. Wider costs passed on from higher rates of inflation will be realised

in 2023/24 where we have responded with an adjusted budget.

Our Board of Management

Strong and effective governance remains the foundation of our success, ensuring that the Board operates the highest levels of probity. During 2022/23 we continued our 'standard/standard' (highest) regulatory grading. The Welsh Government restarted its regulatory inspection approach. CCHA did not receive a regulatory grading in the period but maintained ongoing dialogue with the regulator as part of our co-regulatory engagement. Having been accessed as low risk under interim arrangements, we continued to maintain our regulatory status. We have continued to maintain governance, service delivery and financial viability to the highest levels.

Having completed a successful round of Board recruitment in 2021/22 we welcomed new board and independent members. We completed an independent review of Board effectiveness. This exercise provided assurance to the Board with support for ongoing improvements, areas included ongoing improvements with group leadership, collective dynamics and supporting individuals with effective contributions. This review included the effectiveness of our main Board sub-committees. The Board received a positive report. A rolling plan of independent and group/individual appraisals ensures that we continue to look in the mirror regarding our Board governance. This is in line with our adopted Code of Governance.

Board and Committee Decision Making

The Board's central role is to direct the strategic direction of CCHA's work, and

be assured with its ongoing operations. The Board operates a supervisory model with clearly set out reserved matters to ensure a clear divide on the decisions taken by the Board and those taken by the Corporate Leadership Team. Other matters have been delegated to the committees by the Board with any matters falling outside of these delegations falling within the Chief Executives responsibility and authority. The Board is responsible in establishing a robust control and risk management framework and to ensure that CCHA achieves its outcomes.

We have continued to embed the tenant's voice within our governance structure which led to the creation of our newly formed People and Customer Experience Committee (PACE). This committee will provide further assurance on learning and feedback from tenants to embed improvements in our customer journey.

The Board met formally 10 times in 2022/23. With the removal of restrictions, we operated more face to face meetings embracing hybrid options that we adopted over the period of the pandemic.

As part of our strategic thinking time we planned the Board's time with balance of both strategic and operational matters with consideration of performance and risk management as reserved matters.

The Board's structure is supported by committees and working groups which in 2022/23 included:

- Audit and Risk Committee;
- Development Committee
- Remuneration Committee; and
- People and Culture Committee, which was restructured into the

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People and Customer
Experience Committee following
Board approval in March 2023.

Each committee meets throughout the year to discharge their duties and responsibilities under their terms of reference. Chairs of committees regularly report back on activities within the period.

Statement of Compliance with our Code of Governance

CCHA adopted the revised Community Housing Cymru Code of Governance in March 2022. The Code reflects the Welsh Social Housing Sectors overall principles to good governance with a particular revised focus on equality diversity and inclusion. Each year the Board reviews compliance with the code and during the period we considered that we were fully compliant with the Code. Our ongoing compliance with the provisions and principles of the Code.

Audit and Risk Committee

The Audit and Risk Committee met five times during 2022/23. The Committee supports the Board primarily with risk control, governance and both internal and external audit. The Committee is appointed by the board annually and is comprised of at least three board members and other independent members as directed by the Board. The Committee continues to be supported by one independent member who acts as an additional line of assurance.

The Committee's overall purpose is to review on behalf of the Board and to make recommendations to the Board about the integrity of the financial statements, the appointment and work of the internal and external auditors, internal controls and risk management framework, the overall risk strategy and

any matters relating to governance, statutory and legal compliance including health and safety and fraud.

The Audit and Risk Committee receives assurance reports from a range of external sources as third line of defence sources, these include:

- Internal audit reviews and compliance reports based on an agreed annual plan from the Committee, reviewed and linked against our risk management framework;
- External auditor's management letters and reports;
- Compliance reports issued by the Welsh Government as the organisation's regulator; and
- Overview of tenant scrutiny as part of the wider governance framework

The internal and external audit contracts continued in 2022/23 with Mazars operating as the appointed provider for the organisation's internal audit service and Bevan and Buckland continuing as the external audit provider. During the period, the Audit and Risk Committee continued to review the effectiveness of these contracts as part of their arrangements for assessing 'fitness to serve'.

Both internal and external audit providers undertake their work in accordance with a plan approved annually by the Audit and Risk Committee. These plans are subject to the overall risk management framework and match planned and emerging risks throughout the year. Based on this approach these plans adapt a dynamic approach which are subject to amendments if higher risks areas are identified and emerge during the year. This ensures that the Audit and Risk Committee can adapt its sources of assurance as risks emerge.

Internal Control

The Board is responsible for ensuring our business operates effectively in achieving its objectives. It is the Board's overall responsibility to ensure that the organisation has a system in place that identifies and manages risks. This includes effective internal control systems and procedures to minimise the loss through fraud, corruption, errors and mismanagement.

The Audit and Risk Committee has overseen the conclusion of the internal audit plan. Working closely with internal auditors the committee carefully monitored the progress of the internal audit function. The committee approved the work of internal audit and is able to change the annual programme following regular risk reviews.

Sources of assurance include:

- The Audit and Risk Committee receives, and reviews reports on all key internal controls to ensure they are working efficiently, effectively and being followed across the organisation. This includes controls for the prevention of fraud and irregularities;
- Regular reports from directors and managers which over operational and financial matters which gives assurances to the Committee that internal controls and working effectively;
- Regular monitoring and reports of all risk relating matters including if required specific standalone deep dives of risk areas. Assurances include effective and mitigating controls for identified and emerging risks with actions to ensure current

risk scores meet target risk score within the overall risk score appetite. Reports are contained within the overall three lines of defence risk framework, linked against strategic risks. The application of risk management is articulated within the overall Risk Framework;

- The Audit and Risk Committee reviews and monitors reports from Internal Audit to provide reasonable assurance control procedures are in place and being followed and actions effectively implemented and followed up periodically; and
- The Audit and Risk Committee reviews reports from the external auditors and other external assurance sources on areas where assurance is required. Grant funded projects which are subject to separate audits are reported separately.

The Board has strategies in place for preventing, detecting and the recovery of assets of the association with:

- Fraud and corruption;
- Bribery; and
- Money laundering.

Risk assessments associated with these strategies are reviewed and suspected irregularities are reported to the Audit and Risk Committee annually.

CCHA has received the internal audit annual report which highlights the following audits were undertaken during the 2022/23:

- **Asbestos;**
- **Support & Care Managing Agents;**

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- CDM (Internal Repairs & Major Works);
- Water Testing;
- Contract Management;
- Data Integrity;
- Key Controls Health Checks (x2); and
- Follow up (x3).

All areas have reported adequate or substantial controls. We continued to achieve above benchmark in follow up audits. The expected benchmark is 85% or above to constitute best practice. We completed the year with a 100% implementation rate.

Our internal auditors have stated in their annual report that:

Mazars annual statement on internal controls

'On the basis of our audit work, our opinion on the framework of governance, risk management, and control is Substantial in its overall adequacy and effectiveness.

It was noted there were no reports in 2022/23 with 'Limited' or 'Needs Improvement' assurance and no critical or highly important recommendations were raised.

We have provided substantial assurance across each of the strategic reports reviewed within year. We have raised a total of four Moderate recommendations across our Key Control Health Check and Contract Management reports.

This and all other matters have been discussed with management, to whom we have made several recommendations. All of these have been, or are in the process of being

addressed, as detailed in our individual reports.

No instances of actual or suspected fraud have been encountered during our audit work.

Risk Management

Managing risk is integral if we are to operate in an effective, safe, and dutiful manner. 2022/23 presented a continued challenging risk operating environment. The Regulatory Framework from the Welsh Government, details requirements for the Board to understand the risks facing the organisation and to clearly demonstrate that there are effective controls in place to manage them.

Effectively managing Risk

We operate a formal Risk Framework which is approved by the Board. This framework articulates the risk appetite of the Board and places clear responsibility for risk management with the Board.

We operate a three lines of defence model, which ensures clear separation between risk and control ownership at different levels. Operational teams lead on first lines of defence with day-to-day management and supervision of key risks against set policy and procedures. Second line is set against the framework with formal internal reporting such as management indicators, supervisory reviews and spot checks where first line controls can be effectively challenged. This gives internal assurance that controls are being managed in line with expectations. Internal audit provides the third and independent line. We also rely on other sources of external assurance arounds areas such as landlord health and safety. Objective assurance is provided

to management which enables further guidance and challenge to first and second lines independent of the executive team. This is driven with an annual programme of reviews which highlight areas of control improvement identifying risks that are not being managed effectively.

The Corporate Leadership Team led by the Chief Executive, leads on risk management at an operational level on a day-to-day basis. The Board has delegated its responsibility for the monitoring and scrutiny of risk management issues with the Audit and Risk Committee. We believe that an acceptable level of risk exposure is to not:

- Damage the capacity of the organisation to exist into the future, and does not significantly impede its financial or operational viability;
- Materially damage the relationship with its tenants or the tenant/service user experience; and
- Significantly impact on the good reputation of CCHA overall.

In 2022/23 the ongoing economic outlook presented several challenges to the Association. We will continue to support our contractors and third parties involved in the delivery of our strategy to work with us to manage risks appropriately.

Key Strategic Risks in 2022/23

Key strategic risks at the year-end which were subject to further scrutiny are detailed below:

- **Cyber Security Breach – (including Malware/hack/social engineering) leading to business continuity issues, loss of assets and financial fraud** – Over the last 12 months we have completed enhancements to infrastructure and continue to carry out second line testing with phishing tests to mitigate risks posed. This is due to an international increase in crime and fraud in these areas. We continue to train and engage with staff. This risk has remained at the top of our register for much of the period.
- **Significant disruption to development programmes impacting the delivery of the development strategy** – We have continued to see challenges in the delivery of new build developments. Planning delays, contract availability and sustainability, cost of materials, increasing scarcity of land and supply chain disruption has impacted pipeline delivery. We have continued to work within this risk environment over the last 12 months and have mitigations to enable delivery of our strategy.
- **Low levels of Customer Satisfaction/Perception leading to reputational issues** – This remained on the register whilst we continued to track plans and improvements following an independent survey of Tenants' perception of services that was carried out in late 2021. Satisfaction continues to be part of our overall performance suite and has

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further enhancements in terms of assurance to the Board with the 'tenants voice' thread being an integral part of the new People and Customer Experience Committee (PACE). This additional layer of governance aims to enhance scrutiny in this area. Ongoing review of this risk remains a top priority to be prudent with embedding tenant feedback.

Going concern

The Board ensures all significant decisions are taken in accordance with CCHA's rules, policies, and procedures. In preparing financial statements Board members have reviewed the Associations plan and have received assurances the Association has adequate resources to continue to operate for the foreseeable future. Whilst maintaining our highest level of regulatory judgement this endorsement externally assesses the Associations ability to meet its future challenges. The annual financial statements are proposed in a going concern basis.

Overall assessment

Based on the assessment within the Annual Governance and Statement of Internal Control the Board can conclude we have appropriate arrangements in place to give it assurance on the adequacy of the governance, internal controls and risk management frameworks operated at CCHA.

Viability

The Board has undertaken an assessment of the future financial prospects of the Association and undergone assessments of its current and future risks. During the period the

Board were presented with robust stress testing of our financial plan which involved several assumptions and scenarios.

Risk management as outlined is carried out in a structured approach to ensure that all risks are adequately and regularly reviewed by the Board, subject to delegations with the Audit and Risk Committee.

The Board operates a set of financial golden rules which enables the Board to review further controls against key financial areas.

Statement of Board of Management responsibilities.

The Board of Management is responsible for preparing the financial statements in accordance with applicable law, financial reporting standard FRS102 and the statement of recommended practice for registered housing providers.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board of Management to prepare financial statements for each financial year that give a true and fair view of the position of the Association and of the surplus of the Association for that period. The Board are responsible for internal controls to the extent that they determine necessary to enable the preparation of financial statements that are free from material mismanagement, whether due to both fraud and error. The Board has general responsibility for taking such steps as are reasonably open to it to enable the safeguarding of the Association and to prevent and detect fraud and other irregularities. In preparing these financial statements, the Board is required to:

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- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and the Statement of Recommended Practice (Accounting by Registered Housing Associations) have been followed, subject to any material departures disclosed explained in the financial statements; and
- Prepare the financial statements on a going-concern basis unless it is inappropriate to presume the Association will continue in business.

The Board of Management is responsible for keeping proper records that disclose, with reasonable accuracy at any time, the financial position of the Association to enable the external auditors to ensure that the financial statements comply with the relevant housing association legislation.

Disclosure of information to Auditors

At the date of approval of this report the Board have confirmed:

- As far as Board members are aware, there is no relevant audit information of which the Association's auditors are unaware; and
- Board members have taken all steps they ought to have taken to make themselves aware of a relevant audit information and to establish that the Association's auditor is aware of that information.

Annual General Meeting

The Annual General Meeting (AGM) will take place on 21st September 2023.

At this meeting, the Association's 2022/23 Annual Report and Accounts will be presented for adoption and a resolution to re-appoint Bevan and Buckland as auditors to Cardiff Community Housing Association Limited will be proposed at the Annual General Meeting.

This report was approved for the issue by the Board in July 2023 and signed on its behalf by:



Michael Owen
Board Chair
July 2023

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Board/Committee Members

The following table shows attendance at meetings for which board and committee members were in post.

Name	Start Date	Retirement Date	Board	ARC	P&C	Rem	Dev
Ms J Beauchamp			10/10		2/2	1/1	4/4
Ms E Britton			7/10		1/2	1/1	
Ms V Nawathe			8/10	2/5			4/4
Mr M Owen			10/10				
Mr S Rooks			10/10				4/4
Ms M Wade		31/7/2022	2/3	2/2			
Mr A Singh			7/10	3/5		1/1	
Ms A Yusuf		31/7/2022	2/3		1/1		
Mr F Maghiya			5/10		1/2		
Ms D Ketter			7/10		2/2		
Ms K Chamberlain	1/5/2022		10/10	5/5			
Mr N Harries	1/5/2022		9/10	5/5			
Ms O Owolabi	1/2/2023		3/3				0/0
Independent member of the Audit and Risk committee							
Mr N Harries		30/4/2022		0/0			
Ms F Ahmed	1/5/2022			5/5			

Key:

ARC – Audit and Risk Committee

P&C – People and Culture Committee

Dev – Development Committee

Rem – Remuneration Committee

Board Rates of Pay

Role	£ per annum
Chair of the Board	10,000
Board member and Chair of the Audit and Risk Committee	6,000
Vice Chair and Chair of the Development Committee	8,000
Board member and Chair of the People and Culture Committee and Chair of the Remuneration Committee	6,000
Board/Committee Member	4,000

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Independent auditor's report to the members of Cardiff Community Housing Association on corporate governance

In addition to our audit on the financial statements for the year ended 31 March 2023, we have reviewed the Board's statement of Cardiff Community Housing Association ("the Association") compliance with the Welsh Government Circular 02/10, Internal Financial Control and Financial Reporting ("the Circular").

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

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

Opinion

With respect to the Board's statement on internal controls assurance on pages 6 to 13, in our opinion the Board of Management has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work on the financial statements.



Bevan Buckland LLP

Chartered Accountants & Statutory Auditors
Cardigan House, Castle Court
Enterprise Park
Swansea
SA7 9LA

19/7/2023

Cardiff Community Housing Association

Independent auditor's report to the members of Cardiff Community Housing Association

We have audited the financial statements of Cardiff Community Housing Association for the year ended 31 March 2023 which comprise the statement of comprehensive income, the statement of changes in reserves, the statement of financial position, the cash flow statement and its related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31st March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for Opinion

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

Conclusions relating to going concern

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

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

Other Information

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

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Independent auditor's report to the members of Cardiff Community Housing Association (continued)

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the board

As explained more fully in the Statement of Responsibilities of the Board (set out on pages 12-13), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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Independent auditor's report to the members of Cardiff Community Housing Association (continued)

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

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

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

Identifying and assessing potential risks related to irregularities.

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

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

Audit response to risks identified

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected

Cardiff Community Housing Association

Independent auditor's report to the members of Cardiff Community Housing Association (continued)

- relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Use of our report

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



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

19/7/2023.

Cardiff Community Housing Association

Statement of Comprehensive Income For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	3	21,584	20,808
Operating expenditure		(18,152)	(17,451)
Surplus/(loss) on fixed asset investments/PPE	4	7	4
Operating surplus		3,439	3,361
Interest receivable	6	433	70
Interest and financing costs	5	(1,863)	(1,826)
Surplus/(deficit) on revaluation of investment properties		14	384
Surplus for the year		2,023	1,989
Taxation	14	70	(14)
Surplus for the year after taxation		2,093	1,975
Actuarial gain/(loss) in respect of pension schemes	25	(795)	1,878
Total comprehensive income/(loss) for the year		1,298	3,853

Cardiff Community Housing Association

Statement of Financial Position at 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible fixed assets	10	215	240
Housing properties	11	195,895	188,888
Fixed asset investments	13	8,030	8,088
Other property, plant and equipment	12	9,175	9,371
		<u>213,315</u>	<u>206,587</u>
Current assets			
Stock	15	31	42
Debtors	16	2,233	2,048
Investments	17	21,615	23,090
Cash		2,488	4,957
		<u>26,367</u>	<u>30,137</u>
Current liabilities			
Creditors: amounts falling due within one year	19	(11,751)	(11,094)
Social housing and other government grants: amounts falling due within one year	23	(1,811)	(1,773)
		<u>12,805</u>	<u>17,270</u>
Net current assets			
		12,805	17,270
Non-current assets			
Debtors: amounts due after more than one year	18	2,281	2,306
		<u>228,401</u>	<u>226,163</u>
Total assets less current liabilities			
		228,401	226,163
Creditors: amounts falling due after more than one year	20	(82,554)	(84,453)
Social housing and other government grants: amounts falling due after more than one year	23	(106,550)	(103,701)
Provisions for liabilities	24	(118)	(311)
Provisions for pensions	25	(2,291)	(2,108)
Total net assets		<u>36,888</u>	<u>35,590</u>
Capital and reserves			
Share capital		-	-
Revenue reserve		36,845	35,547
Restricted reserve		43	43
Total reserves		<u>36,888</u>	<u>35,590</u>

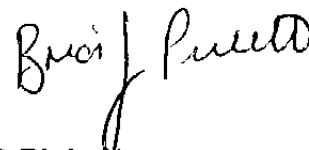
The financial statements of Cardiff Community Housing Association Limited were approved by the Board of Management on the 19 July 2023 and signed on its behalf by:



M Owen
Chair of Board



S Rooks
Vice Chair of Board



B Pickett
Secretary

Cardiff Community Housing Association

Statement of Changes to Reserves for the year ended 31 March 2023

	Revenue reserve £'000	Restricted reserve £'000	Total £'000
At 1 April 2022	35,547	43	35,590
Surplus for the year after taxation	2,093	-	2,093
Actuarial gain/ (loss) in respect of pension schemes	(795)	-	(795)
At 31 March 2023	36,845	43	36,888

Cardiff Community Housing Association

Statement of Cash Flows for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Net cash generated from operating activities	27	3,359	4,158
Cash flows from investing activities			
Purchase of tangible fixed assets		(7,334)	(2,539)
Component Replacements		(3,426)	(6,578)
Proceeds from sale of tangible fixed assets		65	303
Grants received		6,127	4,395
Interest received		433	70
Net cash flows from investing activities		(4,135)	(4,349)
Cash flows from financing activities			
Interest paid		(1,813)	(1,737)
New secured loans		375	1,000
Repayments of borrowings		(1,696)	(1,515)
Arrangement fees		(34)	-
Net cash flows from financing activities		(3,168)	(2,252)
Net (decrease)/increase in cash and cash equivalents		(3,944)	(2,443)
Cash and cash equivalents at 1 April		28,047	30,490
Cash and cash equivalents at 31 March		24,103	28,047

Cardiff Community Housing Association

Statement of Free Cash

For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Net cash generated from operating activities (adjusted for taxation paid below)	27	3,373	4,287
Cash flows from investing activities:			
Interest paid		(1,813)	(1,737)
Interest received		433	70
Taxation paid		(14)	(129)
		<u>(1,394)</u>	<u>(1,796)</u>
Adjustments for existing properties:			
Component replacements		(3,426)	(6,578)
Component replacement grant received		945	4,177
Purchase of other replacement fixed assets		(304)	(252)
		<u>(2,785)</u>	<u>(2,653)</u>
Free cash generated/(expended) before loan repayments		(806)	(162)
Repayments of borrowings		(1,696)	(1,515)
Free cash expended after loan repayments		<u>(2,502)</u>	<u>(1,677)</u>

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

1. Legal Status

The Association is registered under the Co-Operative and Community Benefit Societies Act 2014 and is a registered social landlord. The Association has adopted charitable rules.

2. Accounting policies

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

General information and basis of accounting

The financial statements have been prepared under the historical cost convention. This is modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The statements comply with the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. Cardiff Community Housing Association is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

Property, plant and equipment - housing properties

Housing properties are stated at cost less depreciation and accumulated impairment losses. Cost includes the acquisition of land and buildings, development costs and associated fees.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight line basis, over their useful economic lives. Freehold land is not depreciated.

Major components

Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates:

Structure -	new house	150 years
Structure -	new flat	100 years
Structure -	refurbished house	100 years
Structure -	refurbished flat	50 years
Roofs		65 years

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

Doors and windows	30 years
Kitchens	15 years
Bathrooms	27 years
Boilers	15 years
Boiler plant	25 years
Heating systems	15 years
Lifts	25 years
Disabled Adapted Works	10-27 years

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

Improvements

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are capitalised and added to the carrying amount of the property. Any works to housing properties that do not replace a component or result in an incremental future benefit are charged as expenditure in the Statement of Comprehensive Income.

Leaseholders

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

Non-housing property, plant and equipment

Non-housing property, plant and equipment is stated at historic cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all non-housing property, plant and equipment, other than investment properties and freehold land. The rates and methodology of depreciation are shown below:

Freehold offices	50 years
Leasehold land and buildings	50 - 125 years
Furniture, fixtures & fittings	10 years
Telephone system	4 - 10 years
Vehicles	25% reducing balance
Computer equipment	4 - 6 years

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

Investment properties

The classification of properties as investment property or property, plant and equipment is based upon the intended use of the property. Properties held to earn commercial rentals or for capital appreciation or both are classified as investment properties. Properties that are used for administrative purposes or that are held for the provision of social housing are treated as property plant and equipment. Mixed use property is separated between investment property and property, plant and equipment.

Land is accounted for based on its intended use. Where land is acquired speculatively with the intention of generating a capital gain and/or a commercial rental return it is accounted for as investment property. Where land is acquired for use in the provision of social housing or for a social benefit it is accounted for as property, plant and equipment.

Investment properties are measured at fair value annually with any change recognised in surplus or deficit in the Statement of Comprehensive Income.

Intangible assets

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

Computer software 3-6 years

Impairment of social housing properties

Social housing properties are sensitive to potential changes in value that may lead to impairment. In accordance with FRS102 the association carries out an annual impairment review assessing the future value taking into account the current level of demand for properties, the level of void losses, projected discounted cash flows and ongoing maintenance costs.

Loans and bonds

Loan arrangement fees are capitalised and then amortised on a straight-line basis over the duration of the loan. Interest is recognised in the statement of comprehensive income on an accruals-basis, including that related to index linked loans where the cash settlement may be deferred.

Where there is a difference between the coupon rate of bonds issued to investors and the effective rate of such issuances, this balance is held as a bond market premium on the balance sheet and spread over the term of the corresponding bonds.

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

Social Housing Grant and other government grants

Where grants are received from government agencies such as the Welsh Government, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

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

Grants 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 components. 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.

Grants received from non-government sources are recognised as revenue using the performance model.

Government grants are recognised as revenue when the grant proceeds are received or receivable. Where a grant imposes specified future performance-related conditions it is recognised as revenue when the performance-related conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability. Where government grant is provided for the construction of housing properties within a specific scheme, then the performance related condition is met when the construction of the housing properties is complete.

Donation or acquisition of land or other asset at below market value

Where a donation of land and/or other assets is received or land and/or other assets are acquired at below market value from a government source (directly or indirectly), this is accounted for as a non-monetary government grant. The difference between the fair value of the asset donated or acquired and the consideration paid for the asset is recognised as a government grant and included in the Statement of Financial Position as a liability.

Where a donation of land or other assets is received or acquired below their market value from a non-governmental third party the transaction is

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

recognised as an asset in the Statement of Financial Position at fair value. The difference between the amount paid for the asset and the fair value of the asset is recognised as surplus or deficit in the Statement of Comprehensive Income as a donation when future performance-related conditions are met.

Housing Finance Grant

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

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

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

Recycling of grants

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

Restricted reserves

Where reserves are subject to an external restriction they are separately recognised within reserves as a restricted reserve. Revenue and expenditure is included in surplus or deficit in the Statement of Comprehensive Income and a transfer is made from the general reserve to the restricted reserve.

Leased assets

At inception the Association assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease.

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

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge using the effective interest rate method. This produces a constant rate of charge on the balance of the capital repayments outstanding.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases are charged in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Properties for outright sale

Properties developed for outright sale and land held for sale are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes materials, direct labour and an attributable proportion of overheads based on normal levels of activity.

Interest payable

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

The Association participates in both a defined contribution and a defined benefit pension scheme.

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

Pensions - Defined contribution Scheme

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

Pensions - Defined benefit pension scheme: Social Housing Pension Scheme (SHPS)

The Association participates in the Social Housing Pension Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

For the SHPS scheme, assets are measured at fair value. Scheme liabilities are measured on an actuarial basis and are discounted at a relevant discount rate. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. A net surplus is recognised only to the extent that it is recoverable by the Association through reduced contributions or through refunds from the plan.

The current service cost and costs from settlements and curtailments (past service costs) are charged against any operating surplus in the current reporting period. Interest is calculated on the net defined benefit liability or asset. Remeasurements are reported in other comprehensive income. The assumptions made are detailed within note 25.

Taxation

Current tax is recognised for the amount of corporation tax payable in respect of taxable surpluses. The tax charge is calculated using the tax rates and laws that have been enacted by the reporting date. The disclosures relating to the tax charge are included in note 14.

Deferred Taxation

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

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

Deferred Taxation – continued.

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

Value Added Tax (VAT)

CCHA is partially exempt for VAT purposes. CCHA charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the association and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Turnover

Turnover represents rent and service charges receivable net of void loss. It also includes disposal proceeds of current assets such as properties developed for sale or shared ownership first tranche sales at completion together with revenue grants from local authorities, Welsh Government, other public sector bodies and charitable fees and donations. Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Supported housing and other managing agents

The Association has involvement in managing supported housing and similar schemes on behalf of third parties. Where there has been a substantial transfer of the risks and benefits attached to a scheme to a third party, all relevant income and expenditure is excluded from the financial statements.

Investments

Investments are measured at fair value where they are publicly traded or their fair value can be measured reliably. Fair value changes are recognised in the Statement of Comprehensive Income. Other investments are measured at amortised cost less impairment.

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

Service charge sinking funds and service costs

Unused contributions to service charge sinking funds and over-recovery of service costs repayable to tenants or leaseholders intended to be reflected in reductions to future service charge contributions are recognised as a liability in the Statement of Financial Position.

Where there has been an under-recovery of leaseholders' or tenants' variable service charges in the year, this has been recognised as expenditure in the Statement of Comprehensive income. Debit and credit balances on individual schemes are not aggregated as there is no right of set-off.

Financial assets

Financial assets are recognised when the Association becomes a party to the contractual provisions of the instrument. They are derecognised when the contractual rights to the cash flows expire, or when the financial assets and all substantial risks and rewards are transferred.

Debtors

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

At the reporting date, the effect of discounting is not material to the value of financial assets of the Association, so discounting is omitted. Provision is made against rent and service charge arrears for both current and former tenants and against sundry debts to the extent that they are considered by management as irrecoverable.

Financial liabilities

Financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument. They are derecognised only when the contractual obligation is extinguished, that is when the obligation is discharged, cancelled or expires.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction cost, and are measured subsequently at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

Employee benefits

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

Financing transactions

Cash and cash equivalents

Cash and cash equivalents comprise 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.

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 values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Significant management judgements

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

Impairment of social housing properties

The Association have to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP.

Estimation uncertainty

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fair value measurement

Management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management base the assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual process that would be achievable in an arm's length transaction at the reporting date.

Provisions

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

These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

3. a) Particulars of turnover, operating costs and operating surplus

	2023 Turnover	2023 Operating costs	2023 Operating surplus
	£'000	£'000	£'000
Social housing lettings	20,784	(17,141)	3,643
Revenue grants: Big Lottery Fund ¹	166	(166)	-
Revenue grants: Other	393	(393)	-
Non-social housing activities:			
Lettings	135	(22)	113
Community centres and community activities	106	(430)	(324)
Total	21,584	(18,152)	3,432

	2022 Turnover	2022 Operating costs	2022 Operating surplus
	£'000	£'000	£'000
Social housing lettings	19,891	(16,392)	3,499
Revenue grants: Big Lottery Fund	200	(200)	-
Revenue grants: Other	279	(309)	(30)
Non-social housing activities:			
Lettings	120	(36)	84
Schooner Wharf sales	268	(190)	78
Community centres and community activities	50	(324)	(274)
Total	20,808	(17,451)	3,357

¹ Helping Working Families Flourish project funded by Big Lottery Fund

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

3. b) Particulars of income and expenditure from social housing lettings

	General needs and sheltered housing £'000	Supported housing £'000	Other social housing £'000	2023 Total £'000	2022 Total £'000
Income					
Rents receivable	16,527	345	-	16,872	16,368
Service charge income	1,310	-	-	1,310	1,383
Other Income	20	-	19	39	34
Commercial income	-	-	413	413	363
Grant income	264	10	-	274	-
Amortised government grant	1,876	-	-	1,876	1,743
Turnover from social housing lettings	19,997	355	432	20,784	19,891
Expenditure					
Service charge costs	(1,879)	-	-	(1,879)	(1,818)
Estate costs	(170)	-	-	(170)	(302)
Management	(4,919)	(116)	(226)	(5,261)	(5,483)
Maintenance	(5,054)	-	-	(5,054)	(4,400)
Major repairs	(1,155)	-	-	(1,155)	(1,073)
Bad debts	20	-	(10)	10	(43)
Depreciation of housing properties	(3,213)	-	-	(3,213)	(3,002)
Other	(419)	-	-	(419)	(271)
Operating costs	(16,789)	(116)	(236)	(17,141)	(16,392)
Operating surplus social housing lettings	3,208	239	196	3,643	3,499
Memorandum information:					
Void losses				301	244

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

4. Surplus/Loss on disposal of fixed asset investments/Other PPE

	2023 £'000	2022 £'000
Sales proceeds	79	9
Cost of sale	(72)	(5)
Surplus/(loss) on disposal	<u>7</u>	<u>4</u>

5. Interest and finance costs

	2023 £'000	2022 £'000
Bank loans and overdrafts	1,813	1,737
Pension interest charges	50	89
Total interest payable	<u>1,863</u>	<u>1,826</u>

6. Interest receivable

	2023 £'000	2022 £'000
Bank interest receivable	433	70
Total interest receivable	<u>433</u>	<u>70</u>

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

7. Operating surplus

Operating surplus before taxation is stated after charging/(crediting):

	2023 £'000	2022 £'000
Housing properties:		
Depreciation	3,213	3,002
Amortisation	(1,794)	(1,660)
Other:		
Depreciation	553	536
Amortisation	(82)	(83)
Auditors remuneration		
- In their capacity as auditors	22	22
Operating lease rentals		
Land & Buildings	3	3
Other Assets	164	130

8. Staff costs

	2023 £'000	2022 £'000
Wages and salaries	4,825	4,477
Social security costs	489	407
Pension costs	695	441
Pension past service deficit	528	445
	<u>6,537</u>	<u>5,770</u>

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

8. Staff costs – continued.

The full-time equivalent number of key management staff who received emoluments, including pension contribution, in excess of £50,000.

Salary Band (£)	2023	2022
80,000 – 89,999	-	1
90,000 – 99,999	1	2
100,000 – 109,999	1	-
110,000 – 119,999	1	-
120,000 – 129,999	-	1
130,000 – 139,999	1	-
	4	4

The average number of staff employed during the year

	2023	2022
Actual	175	131
Full-time equivalent	166	126

9. Directors' emoluments

The directors are defined as members of the Board of Management and the Senior Executives as listed on page 3.

	2023 £'000	2022 £'000
Aggregate emoluments of executive directors	487	437
Emoluments of highest paid director (and highest paid employee), excluding pension contributions	115	115
Aggregate emoluments of the members of the Board of Management	62	62

The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply. The additional aggregate emoluments of executive directors in 2023 is primarily due to increased employers pension contributions as set out by SHPS.

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

10. Intangible fixed assets

	2023 £'000	2022 £'000
Cost or valuation		
At 1 April	854	763
Additions	24	91
Disposals	-	-
At 31 March	878	854
Amortisation		
At 1 April	614	575
Charge for the year	49	39
Disposals	-	-
At 31 March	663	614
Net book value		
At 31 March	215	240

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

11. Tangible fixed assets – housing properties

	Completed properties £'000	Under construction £'000	Total £'000
Cost or valuation			
At 1 April 2022	229,291	6,555	235,846
Additions	3,426	7,030	10,456
Completed properties	2,508	(2,508)	-
Disposals	(847)	(42)	(889)
Transfer to other PPE	(28)	-	(28)
At 31 March 2023	234,350	11,035	245,385
Depreciation			
At 1 April 2022	46,958	-	46,958
Charge for the year	3,213	-	3,213
Transfers	-	-	-
Eliminated on disposals	(681)	-	(681)
At 31 March 2023	49,490		49,490
Net book value			
At 31 March 2023	184,860	11,035	195,895
At 31 March 2022	182,333	6,555	188,888

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

12. Other property, plant and equipment

	Freehold	Long/short leasehold	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2022	6,230	2,472	4,500	-	13,202
Additions	-	-	263	17	280
Disposals	-	-	(11)	-	(11)
Transfer from housing properties	-	-	28	-	28
At 31 March 2023	6,230	2,472	4,780	17	13,499
Depreciation					
At 1 April 2022	1,077	521	2,233	-	3,831
Charge for the year	123	52	329	-	504
Disposals	-	-	(11)	-	(11)
At 31 March 2023	1,200	573	2,551	-	4,324
Net book value					
At 31 March 2023	5,030	1,899	2,229	17	9,175
At 31 March 2022	5,153	1,951	2,267	-	9,371

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

13. Fixed asset investments

	Commercial properties £'000	LCHO £'000	OMR Properties £'000	Total £'000
At 1 April 2022	2,665	2,973	2,450	8,088
Additions	-	154	-	154
Disposals	-	(226)	-	(226)
Revaluations	(163)	165	12	14
At 31 March 2023	2,502	3,066	2,462	8,030

The investments for LCHO represent interest free loans in our Low Cost Home Ownership (LCHO) Scheme for which we retain an equity share in the homes.

Commercial properties which are all freehold, were valued to fair value at 31 March 2023 by an independent valuer with recent experience in the location and class of the investment property being valued. There are no restrictions on the realisability of investment property.

The fair value of the open market rental properties was also valued by an independent valuer with relevant experience at 31st March 2023.

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

14. Corporation tax

	2023 £'000	2022 £'000
Current tax		
UK corporation tax at 19% (2022: 19%)	-	14
Adjustments in respect of prior years	(70)	-
Total current tax	(70)	14
Deferred tax		
Deferred tax charge	-	-
Total tax on ordinary activities	(70)	14

The majority of CCHA's income is exempt from corporation tax due to its charitable status. The tax credit for the year relates to a corporation tax provision from prior years no longer required.

	2023 £'000	2022 £'000
Total tax reconciliation		
Surplus before taxation	2,023	1,989
Theoretical tax at 19% (2022: 19%)	384	378
Deferred taxation	-	-
Non-taxable surpluses (due to charitable status)	(384)	(364)
Tax on surplus	-	14

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

15. Stocks

	2023 £'000	2022 £'000
Materials	31	42
	<u>31</u>	<u>42</u>

16. Debtors - Amounts falling due within one year

	2023 £'000	2022 £'000
Arrears of rent and service charges	1,126	1,332
Less: Provision for bad and doubtful debts	(450)	(605)
	<u>676</u>	<u>727</u>
VAT	-	8
Sundry debtors	1,139	1,065
Sundry debtors: provision for bad debts	(66)	(37)
Prepayments and accrued income	484	285
Total debtors due within one year	<u>2,233</u>	<u>2,048</u>

17. Current asset investments

	2023 £'000	2022 £'000
Investments	21,615	23,090
	<u>21,615</u>	<u>23,090</u>

18. Debtors - amounts falling due in more than one year

	2023 £'000	2022 £'000
Other debtors	1,191	1,224
THFC Interest Reserve Fund	1,090	1,082
	<u>2,281</u>	<u>2,306</u>

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

19. Creditors – amounts falling due within one year

	2023 £'000	2022 £'000
Loan capital repayments	1,966	1,793
Rents received in advance	467	410
Trade creditors	589	320
VAT	32	-
Corporation tax	-	14
Other creditors	1,085	1,417
Grant in advance	4,921	3,558
Recycled capital grants	74	-
Accruals and deferred income	2,617	3,582
	<u>11,751</u>	<u>11,094</u>

20. Creditors – amounts falling due after more than one year

	2023 £'000	2022 £'000
Other creditors		
Loans	75,149	76,644
Less loan costs	(614)	(603)
	<u>74,535</u>	<u>76,041</u>
Bond Premium	8,019	8,332
Recycled grant	-	80
	<u>82,554</u>	<u>84,453</u>

Housing loans are secured by specific charges on the Association's housing properties. Rates of interest during the year ranged from 0% to 5.36%. The weighted average rate of interest for 2023 was 2.95% (2022: 2.48%).

At 31 March 2023, 90% (2022 89%) of loans bore interest at fixed rates and 10% (2022 11%) at variable rates.

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

21. The loans are repayable as follows:

	2023 £'000	2022 £'000
Amounts falling due:		
Within one year or less	1,966	1,793
Between one and two years	2,003	2,059
Between two and five years	12,372	10,324
In five years or more	60,774	64,261
Total more than one year	75,149	76,644
Total housing loans	77,115	78,437

22. The recycled grant falls due as follows:

	2023 £'000	2022 £'000
Within one year or less	74	-
Between one and two years	-	80
Between two and five years	-	-
In five years or more	-	-
Total in more than one year	-	80
Total recycled grant	74	80

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

23. Social housing and other government grants

	Social housing properties £'000	Under construction £'000	Other tangible fixed assets £'000	Total £'000
Gross grant creditor				
At 1 April 2022	133,943	3,033	4,430	141,406
Grant receivable	945	3,818	-	4,763
Schemes completed	1,317	(1,317)	-	-
Disposals	(10)	-	-	(10)
At 31 March 2023	136,195	5,534	4,430	146,159

Amortisation

At 1 April 2022	35,381	-	551	35,932
Charge for the year	1,794	-	82	1,876
Disposals	(10)	-	-	(10)
At 31 March 2023	37,165	-	633	37,798

Net grant creditor

At 31 March 2023	99,030	5,534	3,797	108,361
At 1 April 2022	98,562	3,033	3,879	105,474

	2023 £'000	2022 £'000
Amounts falling due:		
Within one year or less	1,811	1,773
Between one and two years	1,776	1,767
Between two and five years	5,226	5,121
In five years or more	99,548	96,813
In more than one year	106,550	103,701
Total grant creditor	108,361	105,474

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

24. Provisions for liabilities

	Opening Balance £000	Additions £'000	Utilised £'000	Disposals £000	Closing Balance £000
Service charge sinking funds	46	1	-	-	47
Corporation tax	70	-	-	(70)	-
Utilities	73	-	(73)	-	-
Restructuring	122	-	(122)	-	-
Dilapidations	-	12	-	-	12
Service charge	-	59	-	-	59
	311	72	(195)	(70)	118

25. Defined Benefit Pension Scheme – Social Housing Pension Scheme

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

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028. The Scheme is classified as a 'last-man standing arrangement'. Therefore, Cardiff Community Housing Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for Cardiff Community Housing Association to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore Cardiff Community Housing Association has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

25. Defined Benefit Pension Scheme – Social Housing Pension Scheme (continued)

2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 29 February 2024 inclusive. The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

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

	2023 £'000	2022 £'000
Fair value of plan assets	10,609	16,558
Present value of defined obligation	12,900	18,666
Surplus(deficit) in plan	(2,291)	(2,108)
Defined benefit liability to be recognised	(2,291)	(2,108)

RECONCILIATION OF OPENING AND CLOSING LIABILITY

	2023 £'000
Liability as at 1 st April 2022	2,108
Employer deficit contributions paid per CFS	(528)
Additional pension service cost recognised in SoCI	(134)
Interest expense recognised in SoCI	50
Actuarial loss in year recognised in OCI	795
Liability as at 31st March 2023	2,291

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

25. Defined Benefit Pension Scheme – Social Housing Pension Scheme (continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period from 31 March 2022 to 31 March 2023 £'000
Defined benefit obligation at start of period	18,666
Current service cost	319
Expenses	14
Interest expense	519
Actuarial losses (gains) due to scheme experience	(10)
Actuarial losses (gains) due to changes in demographic assumptions	(28)
Actuarial losses (gains) due to changes in financial assumptions	(6,136)
Benefits paid and expenses	(444)
Defined benefit obligation at the end of period	12,900

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

	Period from 31 March 2022 to 31 March 2023 £'000
Fair value of plan assets at start of period	16,558
Interest income	469
Experience on plan assets (excluding amounts included in interest income – gain (loss))	(6,969)
Employer contributions	995
Member contributions	-
Benefits paid and expenses	(444)
Fair value of plan assets at the end of period	10,609

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was (£6,500,000).

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

25. Defined Benefit Pension Scheme – Social Housing Pension Scheme (continued)

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

	Period from 31 March 2022 to 31 March 2023 £'000
Current service cost	319
Expenses	14
Net Interest expense	50
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	383

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

	Period from 31 March 2022 to 31 March 2023 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(6,969)
Experience gains and losses arising on the plan liabilities - gain (loss)	10
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	28
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	6,136
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(795)
Total amount recognised in Other Comprehensive Income - gain (loss)	(795)

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

25. Defined Benefit Pension Scheme – Social Housing Pension Scheme (continued)

ASSETS

	31 March 2023 £'000	31 March 2022 £'000
Global Equity	198	3,178
Absolute Return	115	664
Distressed Opportunities	321	593
Credit Relative Value	400	550
Alternative Risk Premia	20	546
Fund of Hedge Funds	-	-
Emerging Markets Debt	57	482
Risk Sharing	781	545
Insurance-linked Securities	268	386
Property	457	447
Infrastructure	1,212	1,180
Private Debt	472	424
Opportunistic Illiquid Credit	454	556
High Yield	37	143
Opportunistic Credit	1	59
Cash	76	56
Corporate Bond Fund	-	1,105
Liquid Credit	-	-
Long Lease Property	320	426
Secured Income	487	617
Liability Driven Investment	4,886	4,620
Currency Hedging	20	(65)
Net Current Assets	27	46
Total assets	10,609	16,558

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

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

25. Defined Benefit Pension Scheme – Social Housing Pension Scheme (continued)

KEY ASSUMPTIONS

	31 March 2023 % per annum	31 March 2022 % per annum
Discount rate	4.84%	2.79%
Inflation (RPI)	3.17%	3.49%
Inflation (CPI)	2.79%	3.15%
Salary Growth	3.79%	4.15%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

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

26. Share capital

The shares provide members with the right to vote at general meetings but do not have a right to any dividend or distribution in a winding-up and are not redeemable.

	2023 £	2022 £
At 1 April	44	76
Issued during the year	4	-
Cancelled during the year	(3)	(32)
At 31 March	45	44

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

27. Statement of cash flows

	2023 £'000	2022 £'000
Cash flow from operating activities		
Surplus for the year (after taxation)	2,093	1,975
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	3,766	3,538
Amortisation of grant	(1,876)	(1,743)
Increase in investment property valuations	(14)	(384)
Carrying value of asset disposals	208	109
Pension DB Adjustments	(84)	206
Amortisation of bond premium and loan costs	(268)	(217)
Working capital movements:		
(Increase)/decrease in debtors	(160)	(599)
Increase/(decrease) in creditors	(976)	15
Increase/(decrease) in provisions	(193)	146
(Increase)/decrease in materials stock	11	(42)
Pension deficit contributions paid	(528)	(445)
Net cash generated from operating activities	1,979	2,559
Cashflow from investing activities:		
Profit from the sale of assets	-	(68)
	-	(68)
Cashflow from financing activities:		
Interest payable	1,813	1,737
Interest received	(433)	(70)
	1,380	1,667
Cash generated by operations	3,359	4,158

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

27. Statement of cash flows – continued.

Cash and cash equivalents	2023	2022
	£'000	£'000
Cash at bank and in hand	2,488	4,957
Cash equivalents included in current asset investments	21,615	23,090
Total cash and cash equivalents	24,103	28,047

Movement in Net Debt

	1 April 2022 £'000	Cash flows £'000	Other changes £'000	31 March 2023 £'000
Cash at bank and in hand	4,957	(2,469)	-	2,488
Loans due within one year	(1,793)	1,696	(1,869)	(1,966)
Loans due after one year	(76,041)	(375)	1,881	(74,535)
Current asset investments	23,090	(1,475)	-	21,615
Net Debt	(49,787)	(2,623)	12	(52,398)

28. Financial commitments

	2023 £'000	2022 £'000
Contracted for but not provided for	12,766	14,992
Approved by the Board but not contracted for	4,954	6,108

At 31 March 2023 the association intends to fund this expenditure from a combination of free cash generation, social housing grants and loan drawdowns from loan facilities already in place.

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

29. Operating Leases

Annual commitments under operating leases are as follows:

	Land & buildings £'000	2023 Other £'000	Land & buildings £'000	2022 Other £'000
Within one year or less	-	26	-	9
Between one and two years	-	24	-	2
Between two and five years	-	20	-	-
In five years or more	-	-	-	-
	-	70	-	11

30. Units in management

	Opening units at 1 April 2022	New build	Transfers	Sales	Closing units at 31 March 2023
Owned properties					
General needs	2,858	-	(14)	-	2,844
Housing accommodation at intermediate rent	71	13	(20)	-	64
Supported housing	53	-	34	-	87
Management properties					
Low Cost Home Ownership Scheme (LCHO)	75	-	-	(2)	73
Leasehold flats	32	-	-	-	32
Private market rent	12	-	-	-	12
Total	3,101	13	-	(2)	3,112

Cardiff Community Housing Association

Notes to the financial statements

For the year ended 31 March 2023

31. Related party transactions

The Association provided rental accommodation to a Board member who was also a tenant during the year. Rent and service charges were charged to the member on the Association's standard terms.

32. Contingent liabilities

The Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Pension Plan, based on the financial position of the scheme as at 30 September 2022. As of this date, the employer debt for the Association was £7,721,904. The Association currently has no intention of withdrawing from the Plan.

We have been notified by the Trustee of the SHPS Defined benefit pension Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is on-going, and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

Social housing grant received for a housing property is potentially repayable on its disposal, including any amounts credited to the income and expenditure account in respect of amortised grant. The total amount of social housing grant amortised through the statement of comprehensive income and therefore potentially repayable is £34,311,000 (2022: £32,888,000).

