

# **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 2021**



# 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 from 6/5/2021)

Ms T Stirling (resigned 31/12/2020)

Ms M Wade

Mr A Singh (from 1/11/2020)

Ms L Hansraj Bhardwaj (from 1/11/2020)

Ms A Yusuf (from 1/11/2020)

Mr F Maghiya (from 1/11/2020)

### Independent member of the Audit Committee (Non-voting)

Mr N Harries

### 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

Langdon House

Langdon Road

Swansea

SA1 8QY

### Internal Auditors

Mazars LLP

First Floor, Two Chamberlain Square

Birmingham

B3 3AX

### Principal Bankers

Barclays Bank plc,

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GN

### Strategic report

I have spent my working life working in the social housing sector and have never experienced the challenges which the last year has brought us. I know the pandemic has caused additional hardship for many of our tenants, and we delivered additional support for those hardest hit. Our own operations were severely affected. Fortunately, we had invested in our IT systems in early 2020, which allowed us to move our staff to working from home as we moved into lockdown in March 2020. We worked for the whole year from home, with a skeleton staff operating from our head office. During lock-down we adjusted our support to tenants. This included making contact with all tenants over 70 and providing additional funding for food to those in particular hardship, caused by people having to spend more time at home, including children not being able to attend school and providing additional cleaning in communal areas.

During the year we continued to evolve and adapt our active tenant engagement at a time when we could not meet in person. The resident and governance panel met eight times during the year and worked on 22 areas of work, ranging from policy review to helping with the design of new developments. This panel has access to directly report in and make recommendations to our board. Our scrutiny panel also remained active through the year completing deep dive reviews on aspects of our service delivery. I wish to mark my personal thanks to each and every tenant who spent time whether it is through these formal structures or otherwise helping us improve our services.

When I became chair in mid-2019, I was hearing a clear message of the need to improve our repairs service, as such, we worked in the later part of 2019-20 to form our in-house maintenance team. This became operational in April 2020, but its activity was severely affected by the various lockdowns. As restrictions have eased and will continue to ease, we are actively working to clear our back log of repairs and give tenants the service they deserve and one which we can be proud of. Our planned maintenance programme has also re-started where we are delivering new kitchens and bathrooms and improving other aspects of your homes.

Once we were allowed, we recommenced letting of vacant property. As a key partner with the local authority most of our lets were to those on the homeless register. Not just with our current stock but our new build development programme, whilst has been slightly delayed, provides a positive impact on the housing crisis in Cardiff. During the year we completed 36 new affordable homes with a further 26 homes completed before the summer of 2021.

Our support teams continued specialist support throughout the pandemic through various virtual and social media platforms and telephone advice. As you would imagine our money advice service was incredibly busy, being called upon as many tenants faced additional financial hardship as the financial realities of the pandemic took hold. Our advice team supported over 500 families covering benefit advice, helping families switch utility providers and helping tenants manage rent arrears.

## Cardiff Community Housing Association

2020 saw the introduction of real time satisfaction being measured across critical service areas. This data allows us to review and make changes to the way we manage services far quicker than the former periodic survey. 83 per cent of survey responses said they were satisfied with the services received. I want to see that figure increase as we can open up more services as we return to a more normal operating environment.

During the year we managed to maintain our vital work with our tenants and the wider community. Our lottery funded project, Flourish continued to work with communities to help develop initiatives, which are important to them. This included the Tremorfa pantry which provided vital food parcels to 150 families weekly. Our employment programmes such as Jets and Reach continued albeit virtually, booking over 120 courses for participants and helping over 20 people into work.

As this is the foreword to our accounts it would be remiss not to recognise the new debt funding we managed to achieve towards the end of the year. This new £37 million long term debt funding has helped us refinance some uneconomic loans we already had in place and also providing finance for our development programme for the next few years. Our deal with the London bond market through bLEND, a specialist funding vehicle for housing associations, was one of the lowest cost debt deals ever achieved by a Welsh housing association, with an effective fixed rate interest rate of less than two per cent for 33 years. This provides a solid foundation for our business plan and manages the risk of future interest rises. Achieving this is made more remarkable as we had only

regained the top governance rating from the Welsh Government regulator less than nine months previously.

Our access to the low-cost bLEND funding reflects our financial strength and credit worthiness. We generated a healthy surplus from normal operating activities. However, the surplus is affected by a non – cash adjustment in respect of the defined benefit pension scheme actuarial valuation, resulting in an overall loss being recorded for the year.

In a year, which has been so difficult for many, I believe we have made important positive strides forward. A fuller picture where we have done well and also where we need to do better is provided in our annual report. As chair, I will ensure we continue our improvement journey in order to deliver first class services, which our tenants and communities deserve.



**Michael Owen**  
**Board Chair**  
**July 2021**

## Cardiff Community Housing Association

### Annual Governance Statement / Statement of Internal Control

#### Corporate Strategy

The Board set out its strategic direction of the organisation during 2020/21. During this process it amended its Corporate Plan objectives. These objectives have been amended as outlined below:

- A Caring Landlord – formally An Excellent Landlord
- A Community Champion and Anchor Organisation
- An Employer of Choice
- An Exceptional Developer of Affordable Homes – formally A Development Partner of Choice; and
- An Organisation that 'Sets the Standard in Governance' – formally Setting the Standard in Governance

CCHA is 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:

- Understanding the varied needs of the communities we serve and will be an advocate for their well-being and future;
- Work in partnership to develop and sustain prosperous and resilient communities of opportunity;
- Provide great affordable homes and excellent services;
- Be an exemplar in sound governance;
- Work in partnership to develop new homes that contribute

positively to our neighbourhoods and meet the diverse housing needs of the future; and

- Recruiting and retaining a community focussed, diverse workforce who enjoy working as part of the team and act as ambassadors for the organisation.

We have continued to innovate over a challenging 2020/21 with the emergence of the global Covid-19 pandemic. We have maintained services whilst managing planned and emerging risks effectively. Over the last 12 months we have continued to work within our Risk Management Framework that is overseen by the Corporate Leadership Team and the Board. The pandemic required us to adapt quickly, constantly looking at our operations to ensure that staff, tenant, and community safety were highest on the agenda. As we adapted, we achieved several innovative projects. We continue to ensure that we evidence any returns on our core business operations. Innovation continued to focus on the delivery of our core business across a 'do it better and more cost effective' mantra.

#### Our Board of Management

During 2020/21 CCHA continued its 'standard/standard' (highest) regulatory grading. The Welsh Government suspended formal regulatory reporting during the period with an interim approach. CCHA was assessed as low risk with this interim approach with its planned assessment in 2021/22. We have continued to maintain governance, service delivery and financial viability to the highest levels. During the pandemic we maintained close communications with the regulator as part of their monthly reporting requirements. No concerns have been raised and we continue to

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operate within ongoing Covid-19 restrictions.

Over the last 12 months we carried out a successful board member recruitment campaign. This was part ongoing succession management. We undertook positive action to address racial imbalance on the Board. This ensured that our Board composition reflects the communities we serve. Our Board composition is now 45% White and 55% Black, Asian or Minority Ethnic. The Board is comprised of 11 Board Members and one Independent Audit and Risk Committee Member.

CCHA's rules permit Board observers, as required to ensure continuity of skills and succession planning. New Board members are appointed in accordance with a maximum term of office of nine years. All board members are subject to both individual and group appraisals. This exercise was completed to ensure that individual and collective improvement on the Board is ongoing.

The Boards central role is to direct the strategic direction of CCHA's work. The Board is responsible in establishing a robust control and risk management framework and to ensure that CCHA achieves its outcomes. Ensuring that tenants' voices are heard and embedded in the work that we do is fundamental to the achievement of our objectives. During the Covid-19 pandemic this was at the forefront of the Boards role. The Board ensured that the challenges faced were being effectively managed. We quickly adapted our tenant involvement approaches to ensure that the tenants' voice continued to be a central part of our overall governance framework.

The Board met formally 11 times in 2020/21 delegating the day-to-day management and implementation of the Association's work to the Chief Executive and Corporate Leadership

Team. The Boards structure is supported by committees and working groups which in 2020/21 included:

- Audit and Risk Committee;
- People and Culture Committee; and
- Remuneration Committee;
- Loans Committee.

In March 2021 the Board formally approved the creation of a new Board role and committee. A Vice Chair role was approved to ensure further resilience within our Board governance. This was in addition to the creation of a Development Committee whose principal role will be to review and approve new developments and make recommendations to the board within delegations

### **Audit and Risk Committee**

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 materials, these include:



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- 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;
- Overview of tenant scrutiny as part of the wider governance framework; and
- Other independent assurance sources such as the Gas Safe.

The internal and external audit contracts continued in 2020/21 with Mazars operating as the appointed provider for the organisation's internal audit service and Bevan and Buckland LLP 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 adopt 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 that our business operates effectively in achieving its objectives. It is the Boards

overall responsibility to ensure that the organisation has a system in place that identified and manages risks. This includes effective internal control systems and procedures to minimise the loss through fraud, corruption, errors and mismanagement. Whilst the Board cannot delegate ultimate responsibility for the system of internal control, it has delegated responsibility to the Audit Committee which will rely on forms of assurance to fulfil this purpose. Sources of assurance include:

- The Audit and Risk Committee receives, and reviews reports on all aspects of 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 cover operational and financial matters which gives assurances to the Committee that internal controls are working effectively;
- Regular monitoring and reports of all risk relating matters including specific standalone deep dives of risk areas. Assurances include effective and mitigating controls for identified and emerging risks with actions to ensure that 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 Strategy;

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- The Audit and Risk Committee reviews and monitors reports from Internal Audit to provide reasonable assurance that 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 2020/21:

- CDM Major works
- Key controls health check no.1 – Property services and LLH&S
- No access processes
- Repairs management;
- Key controls health check no.2 - Human Resources, Finance, ICT & Data Protection and Housing Management
- LLH&S: Lifts
- LLH&S: Fire
- Data integrity
- Follow Up;
- Key controls health check no.3 - Human Resources, Housing

Management; Property services and LLH&S

- Planning & management.

All areas have reported adequate and substantial controls. We have achieved 100% implementation of actions for two thirds of the follow up reviews which is above expected benchmarks of 85%.

There were no high risk recommendations from any of the audits undertaken in 2020/21.

Our internal auditors have stated in their annual report that:

*'In our opinion, Cardiff Community Housing Association ('CCHA') has in place an appropriate framework for identifying, evaluating and managing the significant risks faced by the organisation.'*

*'In respect of the areas of activity which we reviewed, and subject to the weaknesses identified and reported in our internal audit reports Cardiff Community Housing Association has an adequate, effective and reliable framework of internal control and effective risk management and governance processes which provides reasonable assurance regarding the effective and efficient achievement of the organisation's objectives.'*

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

### **Risk Management**

Managing risk is integral if CCHA is to operate in an effective, safe, and dutiful manner. 2020/21 presented unprecedented risk management challenges to the organisation. CCHA dutifully managed these risks presented by Covid-19. Under the Regulatory Framework from the Welsh

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Government, it is a regulatory requirement 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 Strategy which is approved by the Board. This strategy clearly articulates the risk appetite of the Board and places clear responsibility for risk management with the Board.

The Corporate Leadership Team led by the Chief Executive is delegated 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.

The risk management environment in 2020/21 was unprecedented. Clearly understanding risk and being able to respond to emerging operational changes enables the organisation to appropriately respond to challenges. The risk appetite of the organisation as set out in the Risk Strategy defined the Board's attitude to risk as cautious. Whilst the Board is cautious it does not drive a culture that stifles innovation. A balance of caution and opportunism drives the organisation, with a clear definition of the understanding of what is an unacceptable level of risk to operate in.

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.

Risk is measured and reported in clear dashboards to the Audit and Risk Committee and Board which sets out a clear register of three lines of defence and assurance. We have continued to enhance our approach to the management of risk in 2020/21. We completed deep dive exercises on Covid-19 and Brexit as two multi-faceted risks presented in the period. These provided critical business intelligence and assurance on two significant risks posed to the organisation.

We continue to operate within our thirty-year financial forecasting which is reviewed annually by the board. The forecasting is robustly stress tested each year to ensure that it is resilient to a range of external factors. The Welsh Government in its ongoing standard/standard judgement as our regulator has validated the financial strength of the organisation. Positive internal audit work graded as substantial in the period has also bolstered assurance on our financial plans and forecasts.

### Key Strategic Risks in 2020/21

The key strategic risks at the year-end that were subject to deep dives to note have been detailed. We have continued to effectively manage risk; details of strategic risks are detailed below:

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### **Covid-19 - Inability to maintain service delivery in the event of a serious disruption to activities**

Following the first lockdown announced on the 23<sup>rd</sup> March 2020 we have adapted to changing Welsh Government Covid-19 restrictions. We appropriately adapted our services and kept staff, tenants, contractors, and our wider communities safe. Adapting our services has meant that throughout the period we operated restricted services particularly in our repairs service. Based on restrictions we maintained an emergency repairs service and health and safety compliance service only regularly during the period. This was accompanied with wider remote customer service models. This was to reduce household interactions. We moved from an office-based organisation to a homeworking workforce. We completed an in-depth deep dive into the multi-faceted risks of Covid-19 and have put in place a number of controls and actions over 2020/21. The association continues to operate an agile workforce to ensure we continue to meet the highest levels of Covid-19 safety. The impact of Covid-19 has not posed any material uncertainty that would impact the association's ability to continue as a going concern. We continue to operate with Covid-19 in our business operations and anticipate continued disruption the implementation of our business plan in 2021/22.

### **Inadequate preparation for Brexit has an adverse impact on service delivery and operations**

Brexit uncertainty remained a continued risk in 2020/21. We completed an in-depth deep dive into the risks with a no deal Brexit to ascertain what measures we needed to make. In preparation for the end of the

transition period we were assured on our plans in dependant on the outcome. We continue to monitor risks relating to Brexit. These risks have significantly reduced and are now part of our day-to-day operations.

### **Impact of rent arrears of Universal Credit and welfare Reform (Linked to Covid-19 Business Continuity)**

2020/21 presented our tenants with significant household income challenges. We worked with tenants to support them onto sustainable payment arrangements. This was to ensure that we kept tenants and their families in their homes during the pandemic. We completed a detailed deep dive into arrears and income management to understand additional measures we needed to protect the organisation and ensure the sustainability of our tenancies. During this period, we improved how tenants can pay their rent and improved internal approaches to how we respond to households facing financial challenges. We have supported our tenants in partnership with Cardiff Council's discretionary housing payments. This targets funds to allocate up to 50% of arrears in some cases to support tenants who are vulnerable. We anticipate that this area will be a continued area of focus into 2021/22 as furlough and other state backed schemes come to an end.

### **Going concern**

The Board ensures that all significant decisions are taken in accordance with CCHA's rules, policies and procedures and in line with its thirty-year forecast. The interim regulatory judgement of standard/standard in June 2021 includes a positive Financial Viability Judgment on the association's ability to meet its future challenges. We have

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continued our highest grading with the regulator, Welsh Government.

### Overall assessment

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

Over the last 12 months there has been unprecedented challenges to CCHA. The organisation has successfully managed through the Covid-19 pandemic. Significant progress continues building on the effective governance improvements of previous financial years.

Whilst 2020/21 has been a year of challenges, it has proved to demonstrate a highly adaptive and resilient organisation. CCHA now looks to the post Covid-19 future with continued effective and appropriate governance arrangements in place.

### 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 state of affairs of the Association and of the surplus of the Association for that period. In preparing these financial statements, the Board is required to:

- 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, and explained in the financial statements; and
- Prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Association will continue in business for the foreseeable future.

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.

The Board of Management is also responsible for maintaining an adequate system of internal control for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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### 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 that 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 be confirmed pending government guidance on lockdown restrictions and social distancing measures. We are currently identifying whether an open or remote AGM will go ahead subject to temporary rules amendments and Covid-19 restrictions.

At this meeting, the Association's 2020/21 Annual Report and Accounts will be presented for adoption and a resolution to re-appoint Bevan and Buckland LLP as auditors to Cardiff Community Housing Association Limited will be proposed at the Annual General Meeting.



**Michael Owen**  
**Board Chair**  
**July 2021**

## Cardiff Community Housing Association

### 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	Remuneration
Ms J Beauchamp			9/9		3/3	1/1
Ms E Britton			9/9		3/3	1/1
Ms V Nawathe			9/9	4/4		
Mr M Owen			9/9			
Mr S Rooks			9/9	5/5		
Ms T Stirling		31/12/2020	7/7		2/2	
Ms M Wade			9/9	5/5		
Mr A Singh	1/11/2020		4/4		0/1	1/1
Ms L Hansraj Bhardwaj	1/11/2020		4/4	2/2		
Ms A Yusuf	1/11/2020		4/4		0/1	
Mr F Maghiya	1/11/2020		4/4		1/1	
Independent member of the Audit and Risk committee						
Mr N Harries				5/5		

### 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
Board member and Chair of the People and Culture Committee and Chair of the Remuneration Committee	6,000
Board/Committee Member	4,000

## Cardiff Community Housing Association

### 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 2021, 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*

**Bevan Buckland LLP**  
Chartered Accountants & Statutory Auditors  
Langdon House  
Langdon Road  
Swansea  
SA1 8QY



## **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 2021 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 2021 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.

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.

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

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 page 12), 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.

#### **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

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

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 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;

## Cardiff Community Housing Association

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

- 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](http://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*

Bevan Buckland LLP  
Chartered Accountants & Statutory Auditors  
Langdon House  
Langdon Road  
Swansea  
SA1 8QY

## Cardiff Community Housing Association

### Statement of Comprehensive Income For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Turnover	3	22,423	23,032
Operating expenditure		(19,291)	(17,880)
Surplus/(loss) on disposal of property, plant and equipment	4	19	(31)
<b>Operating surplus</b>		<b>3,151</b>	5,121
Interest receivable	6	27	76
Interest and financing costs	5	(1,633)	(1,792)
Surplus/(deficit) on revaluation of investment properties		169	176
<b>Surplus for the year</b>		<b>1,714</b>	3,581
Taxation	14	(90)	(238)
<b>Surplus for the year after taxation</b>		<b>1,624</b>	3,343
Actuarial gain/(loss) in respect of pension schemes	25	(2,834)	1,865
<b>Total comprehensive income/(loss) for the year</b>		<b>(1,210)</b>	5,208

# Cardiff Community Housing Association

## Statement of Financial Position at 31 March 2021

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Intangible fixed assets	10	188	66
Housing properties	11	183,589	176,098
Fixed asset investments	13	7,743	5,540
Other property, plant and equipment	12	9,260	9,082
		<u>200,780</u>	<u>190,786</u>
<b>Current assets</b>			
Stock	15	189	2,412
Debtors	16	1,250	1,919
Investments	17	24,000	8,000
Cash		6,490	2,128
		<u>31,929</u>	<u>14,459</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	19	(11,229)	(11,312)
Social housing and other government grants: amounts falling due within one year	23	(1,691)	(1,632)
		<u>19,009</u>	<u>1,515</u>
<b>Net current assets</b>			
<b>Non-current assets</b>			
Debtors: amounts due after more than one year	18	2,337	1,286
		<u>222,126</u>	<u>193,587</u>
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	20	(85,376)	(61,385)
Social housing and other government grants: amounts falling due after more than one year	23	(100,623)	(97,321)
Provisions for liabilities	24	(165)	(149)
Provisions for pensions	25	(4,225)	(1,785)
<b>Total net assets</b>		<u>31,737</u>	<u>32,947</u>
<b>Capital and reserves</b>			
Share capital		-	-
Revenue reserve		31,694	32,904
Restricted reserve		43	43
<b>Total reserves</b>		<u>31,737</u>	<u>32,947</u>

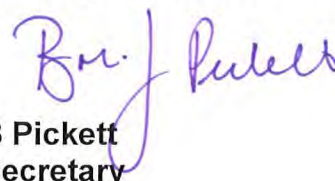
The financial statements of Cardiff Community Housing Association Limited were approved by the Board of Management on the 21<sup>st</sup> July 2021 and signed on its behalf by:



**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 2021

	Revenue reserve £'000	Restricted reserve £'000	Total £'000
At 1 April 2020	32,904	43	32,947
Surplus for the year after taxation	1,624	-	1,624
Actuarial gain/ (loss) in respect of pension schemes	(2,834)	-	(2,834)
<b>At 31 March 2021</b>	<b>31,694</b>	<b>43</b>	<b>31,737</b>

## Cardiff Community Housing Association

### Statement of Cash Flows for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
<b>Net cash generated from operating activities</b>	<b>27</b>	<b>4,314</b>	<b>3,646</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(8,804)	(4,451)
Component Replacements		(1,898)	(2,604)
Proceeds from sale of tangible fixed assets		2,508	3,297
Purchase of Investment Properties		(116)	-
Grants received		2,945	3,820
Interest received		29	76
<b>Net cash flows from investing activities</b>		<b>(5,336)</b>	<b>138</b>
<b>Cash flows from financing activities</b>			
Interest paid		(1,675)	(1,706)
Bond premium		8,601	-
New secured loans		41,200	-
Repayments of borrowings		(26,105)	(3,140)
Arrangement fees		(637)	-
<b>Net cash flows from financing activities</b>		<b>21,384</b>	<b>(4,846)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>20,362</b>	<b>(1,062)</b>
<b>Cash and cash equivalents at 1 April</b>		<b>10,128</b>	<b>11,190</b>
<b>Cash and cash equivalents at 31 March</b>		<b>30,490</b>	<b>10,128</b>



## Cardiff Community Housing Association

### Statement of Free Cash For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
<b>Net cash generated from operating activities</b>	27	4,314	3,646
<b>Cash flows from investing activities:</b>			
Interest paid		(1,675)	(1,706)
Interest received		29	76
Taxation paid		(130)	-
		<u>(1,776)</u>	<u>(1,630)</u>
<b>Adjustments for existing properties:</b>			
Component replacements		(1,898)	(2,604)
Component replacement grant received		624	669
Purchase of other replacement fixed assets		(703)	(442)
		<u>(1,977)</u>	<u>(2,377)</u>
<b>Free cash generated/(expended) before loan repayments</b>		561	(361)
Repayments of borrowings		(26,105)	(3,140)
<b>Free cash expended after loan repayments</b>		<u>(25,544)</u>	<u>(3,501)</u>

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 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 2021

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 2021

### 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 2021

### 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 recognised as an asset in the Statement of Financial Position at fair value. The difference

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

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 2021

### 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 2021

### 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 group 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 2021

### 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 2021

### 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 instruments

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

#### Financial assets carried at amortised cost

Financial assets are measured at transaction price 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. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence of an impairment loss, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

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

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

### Financial liabilities

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.

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

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 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.

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 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 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 2021

### 3. Particulars of turnover, operating costs and operating surplus

	2021 Turnover	2021 Operating costs	2021 Operating surplus
	£'000	£'000	£'000
Social housing lettings	19,447	(16,710)	2,737
Revenue grants	408	(608)	(200)
Non-social housing activities:			
Lettings	101	(16)	85
Schooner Wharf open market sales	1,478	(1,048)	430
Other	989	(909)	80
<b>Total</b>	<b>22,423</b>	<b>(19,291)</b>	<b>3,132</b>
	2020 Turnover	2020 Operating costs	2020 Operating surplus
	£'000	£'000	£'000
Social housing lettings	19,310	(15,174)	4,136
Revenue grants	309	(574)	(265)
Non-social housing activities:			
Lettings	45	(33)	12
Schooner Wharf open market sales	2,614	(1,916)	698
Other	754	(183)	571
<b>Total</b>	<b>23,032</b>	<b>(17,880)</b>	<b>5,152</b>

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 3. Particulars of income and expenditure from social housing lettings – continued.

	General needs and sheltered housing £'000	Supported housing £'000	Other social housing £'000	2021 Total £'000	2020 Total £'000
<b>Income</b>					
Rents receivable	15,899	-	-	15,899	15,883
Service charge income	1,241	-	-	1,241	1,320
Commercial income	-	-	341	341	338
Income from support services	-	68	-	68	78
Amortised government grant	1,898	-	-	1,898	1,691
<b>Turnover from social housing lettings</b>	<b>19,038</b>	<b>68</b>	<b>341</b>	<b>19,447</b>	<b>19,310</b>
<b>Expenditure</b>					
Service charge costs	(1,241)	-	-	(1,241)	(1,320)
Estate costs	(900)	-	-	(900)	(340)
Management	(5,610)	(153)	(150)	(5,913)	(5,710)
Maintenance	(4,011)	-	-	(4,011)	(4,500)
Major repairs	(389)	-	-	(389)	(132)
Bad debts	(272)	-	1	(271)	(238)
Depreciation of housing properties	(3,090)	-	-	(3,090)	(2,934)
Other: Loan breakage fees	(895)	-	-	(895)	-
<b>Operating costs</b>	<b>(16,408)</b>	<b>(153)</b>	<b>(149)</b>	<b>(16,710)</b>	<b>(15,174)</b>
<b>Operating surplus social housing lettings</b>	<b>2,630</b>	<b>(85)</b>	<b>192</b>	<b>2,737</b>	<b>4,136</b>
<b>Memorandum information:</b>					
<b>Void losses</b>				<b>175</b>	<b>94</b>

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 4. Surplus/Loss on disposal of property, plant and equipment

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Sales proceeds	<b>62</b>	180
Cost of sale	<b>(43)</b>	(211)
Surplus/(loss) on disposal	<b>19</b>	(31)

### 5. Interest and finance costs

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Bank loans and overdrafts	<b>1,596</b>	1,706
Pension interest charges	<b>37</b>	86
Total interest payable	<b>1,633</b>	1,792

### 6. Interest receivable

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Bank interest receivable	<b>27</b>	76
Total interest receivable	<b>27</b>	76

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 7. Operating surplus

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

	<b>2021</b>	2020
	<b>£'000</b>	£'000
<b>Housing properties:</b>		
Depreciation	<b>3,090</b>	2,934
Amortisation	<b>(1,815)</b>	(1,608)
<b>Other:</b>		
Depreciation	<b>513</b>	498
Amortisation	<b>(83)</b>	(83)
<b>Auditors remuneration</b>		
- In their capacity as auditors	<b>19</b>	18
<b>Operating lease rentals</b>		
Land & Buildings	<b>11</b>	11
Other Assets	<b>11</b>	8

### 8. Staff costs

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Wages and salaries	<b>3,978</b>	3,282
Social security costs	<b>343</b>	295
Pension costs	<b>368</b>	265
Pension past service deficit	<b>437</b>	428
	<b>5,126</b>	4,270



# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 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 (£)	2021	2020
60,000 – 69,999	1	-
70,000 – 79,999	-	-
80,000 – 89,999	-	-
90,000 – 99,999	2	2
100,000 – 109,999	-	-
110,000 – 119,999	-	1
120,000 – 129,999	1	-
	<u>4</u>	<u>3</u>

The average number of staff employed during the year

	2021	2020
Actual	111	94
Full-time equivalent	<u>108</u>	<u>90</u>

### 9. Directors' emoluments

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

	2021 £'000	2020 £'000
Aggregate emoluments of executive directors	423	408
Emoluments of highest paid director (and highest paid employee), excluding pension contributions	104	103
Aggregate emoluments of the members of the Board of Management	51	23

The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply.

Board remuneration commenced in October 2019. There is a full year remuneration cost in 2021.

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 10. Intangible fixed assets

	2021 £'000	2020 £'000
<b>Cost or valuation</b>		
At 1 April	607	837
Additions	156	-
Disposals	-	(230)
<b>At 31 March</b>	<b>763</b>	<b>607</b>
<b>Amortisation</b>		
At 1 April	541	731
Charge for the year	34	40
Disposals	-	(230)
<b>At 31 March</b>	<b>575</b>	<b>541</b>
<b>Net book value</b>		
<b>At 31 March</b>	<b>188</b>	<b>66</b>

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 11. Tangible fixed assets – housing properties

	Completed properties £'000	Under construction £'000	Total £'000
<b>Cost or valuation</b>			
<b>At 1 April 2020</b>	211,787	5,730	217,517
Additions	4,392	8,035	12,427
Completed properties acquired	5,049	(5,049)	-
Disposals	(314)	-	(314)
Transfer to other PPE	-	(115)	(115)
Transfers to fixed asset investments	(1,590)	(46)	(1,636)
<b>At 31 March 2021</b>	<b>219,324</b>	<b>8,555</b>	<b>227,879</b>
<b>Depreciation</b>			
<b>At 1 April 2020</b>	41,419	-	41,419
Charge for the year	3,090	-	3,090
Transfers	(17)	-	(17)
Eliminated on disposals	(202)	-	(202)
<b>At 31 March 2021</b>	<b>44,290</b>	<b>-</b>	<b>44,290</b>
<b>Net book value</b>			
<b>At 31 March 2021</b>	<b>175,034</b>	<b>8,555</b>	<b>183,589</b>
<b>At 31 March 2020</b>	<b>170,368</b>	<b>5,730</b>	<b>176,098</b>

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 12. Other property, plant and equipment

	Freehold	Long/short leasehold	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At 1 April 2020	6,230	2,472	3,230	94	12,026
Additions	-	-	547	-	547
Disposals	-	-	(4)	(69)	(73)
Transfers	-	-	115	-	115
<b>At 31 March 2021</b>	<b>6,230</b>	<b>2,472</b>	<b>3,888</b>	<b>25</b>	<b>12,615</b>
<b>Depreciation</b>					
At 1 April 2020	829	419	1,613	83	2,944
Charge for the year	84	46	347	2	479
Disposals	-	-	(2)	(66)	(68)
<b>At 31 March 2021</b>	<b>913</b>	<b>465</b>	<b>1,958</b>	<b>19</b>	<b>3,355</b>
<b>Net book value</b>					
<b>At 31 March 2021</b>	<b>5,317</b>	<b>2,007</b>	<b>1,930</b>	<b>6</b>	<b>9,260</b>
At 31 March 2020	5,401	2,053	1,617	11	9,082

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 13. Fixed asset investments

	Commercial properties £'000	LCHO £'000	OMR Properties £'000	Total £'000
At 1 April 2020	2,676	2,864	-	5,540
Additions	-	159	-	159
Disposals	-	(43)	-	(43)
Transfers from housing properties and stock	-	-	1,918	1,918
Revaluations	(62)	147	84	169
<b>At 31 March 2021</b>	<b>2,614</b>	<b>3,127</b>	<b>2,002</b>	<b>7,743</b>

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 2021 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 has been calculated on the basis of investment value calculated with reference to a twenty-year net rental yield.

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 14. Corporation tax

	2021 £'000	2020 £'000
Current tax		
UK corporation tax at 19% (2020: 19%)	78	130
Adjustments in respect of prior years	-	-
Total current tax	78	130
Deferred tax		
Deferred tax charge	12	108
<b>Total tax on ordinary activities</b>	<b>90</b>	<b>238</b>

The majority of CCHA's income is exempt from corporation tax due to its charitable status. The tax charge for the year relates to profits made from apartment sales at Schooner Wharf (actual and deemed) which are not covered by the charitable status exemption.

<b>Total tax reconciliation</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Surplus before taxation	1,714	3,581
<b>Theoretical tax at 19% (2020: 19%)</b>	<b>326</b>	680
Deferred taxation	(12)	(108)
Non-taxable surpluses (due to charitable status)	(236)	(442)
Adjustments to tax charge in respect of prior periods	-	-
<b>Tax on surplus</b>	<b>78</b>	<b>130</b>

### 15. Stocks

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

	2021 £'000	2020 £'000
Properties for sale	189	1,612
Land for sale	-	800
	<u>189</u>	<u>2,412</u>

### 16. Debtors - Amounts falling due within one year

	2021 £'000	2020 £'000
Arrears of rent and service charges	2,067	2,062
Less: Provision for bad and doubtful debts	<u>(1,396)</u>	<u>(1,512)</u>
	671	550
VAT	10	86
Sundry debtors	297	811
Sundry debtors: provision for bad debts	<u>(30)</u>	<u>(38)</u>
Prepayments and accrued income	302	510
<b>Total debtors due within one year</b>	<u><u>1,250</u></u>	<u><u>1,919</u></u>

### 17. Current asset investments

	2021 £'000	2020 £'000
Investments	<u>24,000</u>	8,000
	<u><u>24,000</u></u>	<u><u>8,000</u></u>

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

	2021 £'000	2020 £'000
Other debtors	1,256	1,286
THFC Interest Reserve Fund	<u>1,081</u>	-
	<u><u>2,337</u></u>	<u><u>1,286</u></u>

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 19. Creditors – amounts falling due within one year

	2021 £'000	2020 £'000
Loan capital repayments	1,602	2,662
Rents received in advance	369	306
Trade creditors	244	74
Other taxation and social security	97	80
Corporation tax	90	130
Other creditors	1,233	1,231
Grant in advance	4,065	3,684
Recycled capital grants	-	-
Accruals and deferred income	3,529	3,145
	<b>11,229</b>	<b>11,312</b>

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

	2021 £'000	2020 £'000
<b>Other creditors</b>		
Loans	77,350	61,195
Less loan costs	(655)	-
	<b>76,695</b>	61,195
Bond Premium	8,601	-
Recycled grant	80	190
	<b>85,376</b>	<b>61,385</b>

Housing loans are secured by specific charges on the Association's housing properties. Rates of interest during the year ranged from 0% to 10.87%. The weighted average rate of interest for 2021 was 2.16% (2020: 2.62%).

At 31 March 2021, 85% (2020 64%) of loans bore interest at fixed rates and 15% (2020 36%) at variable rates.



# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 21. The loans are repayable as follows:

	2021 £'000	2020 £'000
<b>Amounts falling due:</b>		
<b>Within one year or less</b>	<b>1,602</b>	<b>2,662</b>
Between one and two years	1,713	2,845
Between two and five years	6,203	9,899
In five years or more	68,779	48,451
Total more than one year	76,695	61,195
<b>Total housing loans</b>	<b>78,297</b>	<b>63,857</b>

### 22. The recycled grant falls due as follows:

	2021 £'000	2020 £'000
Within one year or less	-	-
Between one and two years	-	-
Between two and five years	80	190
In five years or more	-	-
Total in more than one year	80	190
<b>Total recycled grant</b>	<b>80</b>	<b>190</b>

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 23. Social housing and other government grants

	Social housing properties £'000	Under construction £'000	Other tangible fixed assets £'000	Total £'000
<b>Gross grant creditor</b>				
At 1 April 2020	122,114	4,731	4,430	131,275
Grant receivable	3,182	2,120	-	5,302
Schemes completed	2,931	(2,931)	-	-
Transferred to Recycled Grant	(73)	-	-	(73)
Disposals	(1)	-	-	(1)
<b>At 31 March 2021</b>	<b>128,153</b>	<b>3,920</b>	<b>4,430</b>	<b>136,503</b>
<b>Amortisation</b>				
At 1 April 2020	31,937	-	385	32,322
Charge for the year	1,815	-	83	1,898
Disposals	(31)	-	-	(31)
<b>At 31 March 2021</b>	<b>33,721</b>	<b>-</b>	<b>468</b>	<b>34,189</b>
<b>Net grant creditor</b>				
<b>At 31 March 2021</b>	<b>94,432</b>	<b>3,920</b>	<b>3,962</b>	<b>102,314</b>
At 1 April 2020	90,177	4,731	4,045	98,953

	2021 £'000	2020 £'000
<b>Amounts falling due:</b>		
Within one year or less	1,691	1,632
Between one and two years	1,671	1,611
Between two and five years	4,884	3,315
In five years or more	94,068	92,395
In more than one year	100,623	97,321
<b>Total grant creditor</b>	<b>102,314</b>	<b>98,953</b>

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 24. Provisions for liabilities

	Opening Balance 1/4/21 £000	Additions £'000	Utilised £'000	Disposals £000	Closing Balance 31/3/21 £000
Service charge sinking funds	41	4	-	-	45
Corporation tax provision	108	12	-	-	120
	149	16	-	-	165

### 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 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the 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 the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

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

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive.

Similarly, actuarial valuations of the scheme were carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive, and as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 inclusive.

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

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

	2021 £'000	2020 £'000
Fair value of plan assets	15,060	13,299
Present value of defined obligation	19,285	15,080
Surplus(deficit) in plan	(4,225)	(1,781)
<b>Defined benefit liability to be recognised</b>	<b>(4,225)</b>	<b>(1,781)</b>

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 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 2020 to 31 March 2021 £'000
Defined benefit obligation at start of period	15,080
Current service cost	212
Expenses	13
Interest expense	353
Actuarial losses (gains) due to scheme experience	(245)
Actuarial losses (gains) due to changes in demographic assumptions	67
Actuarial losses (gains) due to changes in financial assumptions	4,130
Benefits paid and expenses	(325)
<b>Defined benefit obligation at the end of period</b>	<b>19,285</b>

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

	Period from 31 March 2020 to 31 March 2021 £'000
Fair value of plan assets at start of period	13,299
Interest income	316
Experience on plan assets (excluding amounts included in interest income – gain (loss))	1,118
Employer contributions	652
Member contributions	-
Benefits paid and expenses	(325)
<b>Fair value of plan assets at the end of period</b>	<b>15,060</b>

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £1,434,000.

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

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

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

	Period from 31 March 2020 to 31 March 2021 £'000
Current service cost	212
Expenses	13
Net Interest expense	37
<b>Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)</b>	<b>262</b>

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

	Period from 31 March 2020 to 31 March 2021 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	1,118
Experience gains and losses arising on the plan liabilities - gain (loss)	245
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(67)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(4,130)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(2,834)
<b>Total amount recognised in Other Comprehensive Income - gain (loss)</b>	<b>(2,834)</b>

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

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

#### ASSETS

	31 March 2021 £'000	31 March 2020 £'000
Global Equity	2,400	1,945
Absolute Return	831	693
Distressed Opportunities	435	256
Credit Relative Value	474	365
Alternative Risk Premia	567	930
Fund of Hedge Funds	2	8
Emerging Markets Debt	608	403
Risk Sharing	548	449
Insurance-linked Securities	362	408
Property	313	293
Infrastructure	1,004	990
Private Debt	359	268
Opportunistic Illiquid Credit	383	322
High Yield	451	-
Opportunistic Credit	413	-
Corporate Bond Fund	890	758
Liquid Credit	180	5
Long Lease Property	295	230
Secured Income	626	505
Liability Driven Investment	3,827	4,414
Net Current Assets	92	57
<b>Total assets</b>	<b>15,060</b>	<b>13,299</b>

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 2021

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

#### KEY ASSUMPTIONS

	31 March 2021 % per annum	31 March 2020 % per annum
Discount rate	2.20%	2.35%
Inflation (RPI)	3.25%	2.56%
Inflation (CPI)	2.87%	1.56%
Salary Growth	3.87%	2.56%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at 65 (years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

#### 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.

	2021 £	2020 £
At 1 April	90	108
Issued during the year	4	10
Cancelled during the year	(18)	(28)
<b>At 31 March</b>	<b>76</b>	<b>90</b>



# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 27. Statement of cash flows

	2021 £'000	2020 £'000
<b>Cash flow from operating activities</b>		
Surplus for the year (after taxation)	1,624	3,343
<b>Adjustment for non-cash items:</b>		
Depreciation of property, plant and equipment	3,603	3,432
Amortisation of grant	(1,898)	(1,691)
Increase in investment property valuations	(169)	(176)
Carrying value of asset disposals	112	85
Pension DB Adjustments	46	-
Amortisation of bond premium	79	-
<b>Working capital movements:</b>		
(Increase)/decrease in debtors	(412)	(452)
Increase/(decrease) in creditors	744	(681)
Increase/(decrease) in provisions	16	(274)
Pension deficit contributions paid	(435)	(427)
<b>Net cash generated from operating activities</b>	<b>1,686</b>	<b>(184)</b>
<b>Cashflow from investing activities:</b>		
Profit from the sale of assets	(563)	(1,143)
	<b>(563)</b>	<b>(1,143)</b>
<b>Cashflow from financing activities:</b>		
Interest payable	1,596	1,706
Interest received	(29)	(76)
	<b>1,567</b>	<b>1,630</b>
<b>Cash generated by operations</b>	<b>4,314</b>	<b>3,646</b>

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 27. Statement of cash flows – continued.

<b>Cash and cash equivalents</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	<b>6,490</b>	2,128
Cash equivalents included in current asset investments	<b>24,000</b>	8,000
<b>Total cash and cash equivalents</b>	<b>30,490</b>	10,128

### Movement in Net Debt

	<b>1 April</b>	<b>Cash</b>	<b>Other</b>	<b>31 March</b>
	<b>2020</b>	<b>flows</b>	<b>changes</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	2,128	4,362	-	<b>6,490</b>
Loans due within one year	(2,662)	(2,662)	3,722	<b>(1,602)</b>
Loans due after one year	(61,195)	(11,955)	(3,545)	<b>(76,695)</b>
Current asset investments	8,000	16,000	-	<b>24,000</b>
Net Debt	(53,729)	5,745	177	<b>(47,807)</b>

### 28. Financial commitments

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Contracted for but not provided for	<b>9,077</b>	13,368
Approved by the Board but not contracted for	<b>2,413</b>	-

At 31 March 2021 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 2021

### 29. Operating Leases

Annual commitments under operating leases are as follows:

	Land & buildings £'000	2021 Other £'000	Land & buildings £'000	2020 Other £'000
Within one year or less	7	9	13	15
Between one and two years	-	21	7	15
Between two and five years	-	-	-	7
In five years or more	-	-	-	-
	<b>7</b>	<b>30</b>	<b>20</b>	<b>37</b>

### 30. Units in management

	Opening units at 1 April 2020	New build	Transfers	Sales	Closing units at 31 March 2021
<b>Owned properties</b>					
General needs	2,853	36	(60)	-	<b>2,829</b>
Housing accommodation at intermediate rent	21	-	47	-	<b>68</b>
Supported housing	46	-	13	-	<b>59</b>
Schooner Wharf development held for sale	9	-	(2)	(6)	<b>1</b>
Properties held for sale	2	-	-	(2)	-
<b>Management properties</b>					
Low Cost Home Ownership Scheme (LCHO)	77	-	1	(1)	<b>77</b>
Leasehold flats	30	-	1	-	<b>31</b>
Private market rent	9	-	2	-	<b>11</b>
<b>Total</b>	<b>3,047</b>	<b>36</b>	<b>2</b>	<b>(9)</b>	<b>3,076</b>

# Cardiff Community Housing Association

## Notes to the financial statements

For the year ended 31 March 2021

### 31. Related party transactions

The Association provided rental accommodation to two Board members who are also tenants during the year and charged rent and service charges to those members on the Association's standard terms.

### 32. Contingent liabilities

The Association has been notified by the Pensions Trusts of their estimated employer debt on withdrawal from the Pension Plan, based on the financial position of the scheme as at 30 September 2019. As of this date, the employer debt for the Association was £15,917,107. The Association currently has no intention of withdrawing from the Plan.

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 £34,189,000 (2020: £32,322,000)