



barcud

annual
report

and financial statements

2022



barcud

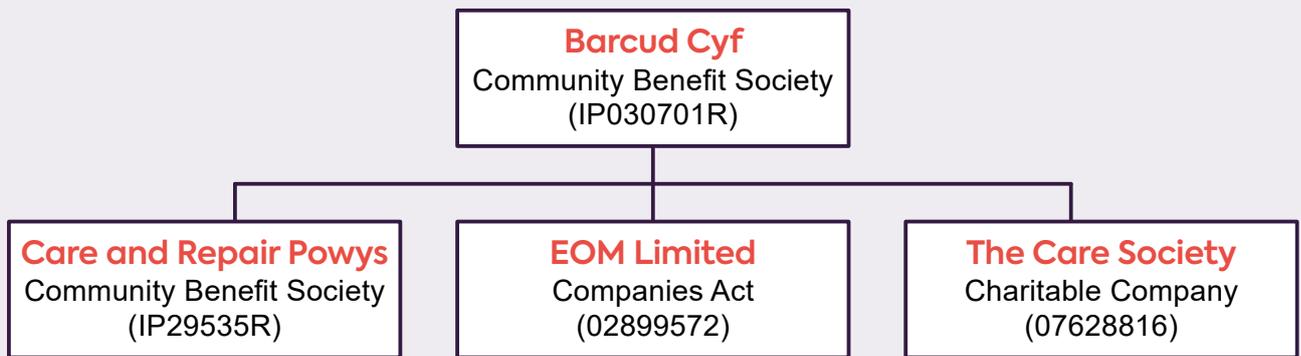
**Annual Report and
Financial Statements**
Year Ended 31 March 2022

Barcud	3
Introduction from the Group Chief Executive and the Chair of the Board	4
Barcud Board Members	6
Executive Officers, Funders, Etc	8
Barcud Monitoring Group	9
Strategic Objectives	10
The Care Society	20
EOM	22
Care & Repair in Powys	24
Report of the Board of Management	26
Governance	30
Value For Money	31
Income and Expenditure	32
Financial Review and Risks	33
Independent Auditor's Report to the Members of Barcud Cyf	34
Notes to the Financial Statements	42

Barcud

Created through merger with significant experience of providing social housing across Mid & West Wales

- Barcud was formed in November 2020 following the merger of Tai Ceredigion and Mid-Wales Housing
- Barcud represents the first merger between a Large Scale Voluntary Transfer Social Landlord and a Traditional Registered Social Landlord in Wales, with complementary strengths and synergies
- The Group includes Care & Repair in Powys, EOM, The Care Society
- With 300 employees we own and manage more than 4,000 homes across Ceredigion, Powys, North Pembrokeshire and Carmarthenshire
- Barcud aims to provide 5,000 affordable, mixed tenure, high quality sustainable homes in Mid Wales by 2025
- We provide a wide range of tenant services including rent, repairs, and welfare benefit advice



A clear set of values helps drive our strategic objectives

- We are committed to providing firm foundations for life
- We take pride in what we do, and we take pride in doing it well
- We respect the people we work with, and work for, and value the contribution they make
- We care about our people, communities, culture and planet
- We work together with our colleagues, our tenants, our communities and partners to help each other succeed

From the Group Chief Executive and the Chair of the Board

We are pleased to report a very positive financial year for Barcud and its subsidiary companies, The Care Society, Care and Repair in Powys, and EOM Ltd. We have made great progress towards achieving our vision of building firm foundations, creating better homes, and creating stronger communities.

During the last year we continued to deliver quality services and support our most vulnerable tenants and other customers, whilst still coping with the pressures of the health pandemic. We also successfully completed the major restructuring of our loans portfolio, resulting in longer term financing at much lower interest rates, which are fixed for a 40 year term. This will give Barcud the strong foundations on which to build our ambitious growth plans for each part of the business.

The Barcud Board is fully committed to good governance, and our first regulatory assessment by Welsh Government in April 2021 resulted in a full pass/pass award. We have received a similar full pass award for this last year, after completing our first annual self-assessment under the new regulatory framework at the end of 2021/22. Over the next year we will be continuing with Board member training and recruiting new Board members as part of our succession planning process.

In 2021/22 Barcud invested a total of £6 million to upgrade our existing homes. £6.6m of Social Housing Grant was drawn down from Welsh Government to match fund Barcud borrowing to build and buyback an additional 52 new homes.

Our vision for Barcud, as the leading community based housing group within Mid and West Wales, remains one of ambition to increase the number of affordable and sustainable homes to rent and buy, whilst also increasing support for vulnerable members of the community, and creating training and enterprise to increase employment within the Mid Wales Growth Deal region.

Barcud's new build rural enterprise centre at Creuddyn, Lampeter, was successfully completed and has been fully occupied by 22 local SME and micro businesses, as part of Lampeter's town centre regeneration. Creuddyn has been the home of The Care Society subsidiary's WCVA/EU funded STEP project, for persons over 25 years of age; helping 58 participants to receive vital training and work experience back into employment. Outside of office hours it is being utilised by the local community for local social and education events.

We are working with the University of Wales Trinity Saint David and Wood Knowledge Wales as part of the major Tir Glas project to bring additional training and employment to Lampeter town. We have also been working closely with Powys County Council and the Welsh Government's town centre regeneration team to bring other town centre projects to life.

Our Care and Repair in Powys subsidiary company team has helped 735 older and disabled persons to adapt and repair their homes, enabling them to stay living independently. Our other charitable subsidiary, The

Care Society, has supported 137 vulnerable homeless persons and families in temporary housing accommodation in Ceredigion and Powys provided from Barcud's housing stock or in leased/managed private rented sector stock.

Throughout 2021/22 we continued to work in partnership with our tenant representatives, with both operational and strategic task and finish groups including elected tenants, and full involvement of Barcud Monitoring Group members in the development and review of policies, in annual business planning and risk management reviews.

We would also like to take this opportunity to thank all of our colleagues and voluntary Board members for their commitment and energy in

achieving all of the above within an increasingly difficult external social and economic environment. Our partner local authority colleagues and elected members across four County Council areas have also been vital partners in helping us achieve such good results and assisting them deliver their statutory duties. Partnership working and community resilience is at the heart of everything we do.

As we turn to face the new challenges posed by recent external events and the cost of living crisis, we pledge to continue doing everything possible to deliver the needed additional homes, and to reduce Barcud's carbon footprint, as we embark on this first year recovery period from the world health pandemic.



Steve Jones
BA Hons FCIH Cert Mangt
Group Chief Executive



John Jenkins
MA FCA
Chair of the Barcud Board

Barcud Board Members



John Jenkins

Chair

A Chartered Accountant with experience in the City of London and in industry. Currently a self-employed business consultant working on renewable energy projects, biotechnology, and a Director of an award winning community interest company. Board member since February 2015.



John Wilkinson

Vice Chair

Member of the Care and Repair in Powys Board. Chartered Public Relations consultant with 30 years' experience. Over 15 years' experience working with housing associations in planning consultations, political and community relations, strategy, change and crisis communications. Board and Council member of the Chartered Institute of Public Relations. Member of the Community Housing Cymru chairs and vice-chairs' strategic delivery group.



Catherine Shaw

Member of the Care and Repair in Powys Board. Member of the Care Society Board. Tenant. Former modern languages student at Aberystwyth University. Member of

the Tenant Steering Group while Tai Ceredigion was being formed. Former long standing member and minutes secretary of the Tai Ceredigion Monitoring Group. Board member since December 2015.



Enid Roberts

Chair of the Special Project Committee. Self-employed management consultant. Previously worked in local government with strategic level experience in ICT, and Project and Programme management. Over 10 years' leadership experience in the social housing sector. Chartered Fellow of the Chartered Management Institute. Chartered Fellow of the British Computer Society. Fluent Welsh speaker.



Cadwgan Thomas

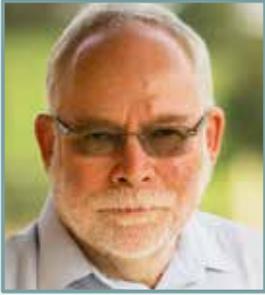
Chartered Quantity Surveyor and 'Operational Manager - Major Projects' at Cardiff Council. Experience in the social housing sector since 1996. Experience in overseeing the

development of several refurbishments, new build housing schemes and care home projects. Board member since September 2014. Fluent Welsh speaker.



Carina Roberts

Has led in the housing field for over 30 years. Experience of working in partnership with other public and private sector organizations. Has been a board member of several voluntary boards including TPAS Cymru. Fluent Welsh speaker.



Stephen Cripps

Retired local government Chief Officer (Strategic Director) with 30 years' experience. Experienced in partnership working with other public & private sector organisations.

Former School Governor, and with experience on Voluntary Sector Boards of Management. Experienced Housing Association Board Member, Chairman and Vice-Chairman. Former Independent member of Ceredigion County Council's Ethics and Standards Committee.



Siobhan Johnson

Chair of the Organisational Development Committee. Senior Human Resources and organisational development professional. Experience in social housing, social care,

FMCG and private sectors. Skilled in HR Consulting, Coaching, Culture Change, Critical Thinking, Leadership and Management. Advocate for equality and diversity and passionate about people realising their full potential. Chartered Member of the CIPD with a MA Hons focused in Politics from The University of Glasgow.



Mererid Boswell

A chartered accountant with experience of finance in the charity and public sector. Has lived in Ceredigion for 12 years and was an Aberystwyth Town Councillor. Treasurer of

Arad Goch (a theatre company) and Chair of Camau Cyntaf i Ddysgu (a nursery provision charity). Head of Business and Finance for the Books Council of Wales. Fluent Welsh speaker and a Spanish learner.



John Rees

Chair of the Audit and Performance Committee and Vice Chair of the Care Society Board. A Chartered Certified Accountant, with over 14 years' experience from a variety

of roles including 7 within the Social Housing Sector. Currently Head of Finance at Plymouth Community Homes, links to the local community of Ceredigion and is learning to speak Welsh.



David Hall

Member of the EOM Board. Group Head of Property for Wrekin Housing Group. Member of both the Chartered Institute of Builders and Chartered Management

Institute. Over 25 years' experience in social housing, in the delivery of Asset Management, Property Health and Safety, Procurement, and Housing Development. Board member since 2020.



Wyn Jones

Member of the EOM Board. A Fellow of the Royal Institution of Chartered Surveyors (FRICS). Member of the Chartered Institute of Arbitrators (MCI Arb). Member of the

Expert Witness Institute (MEWI). A property and valuation expert in practice at a firm of Chartered Surveyors. Board member since August 2020.

Executive Officers, Funders, Etc

Group Executive Officers



Steve Jones
Group Chief Executive



Kate Curran
Group Director of
Corporate Services



Llŷr Edwards
Group Director of
Commercial Services



Sian Howells
Group Director of
Development & Asset
Management



Eleri Jenkins
Group Director of
Housing & Support

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

Funders

Barclays

Windsor Court
3 Windsor Place
Cardiff CF10 3BX

Orchard Brooke

Crown House
Crown Street
Ipswich IP1 3HS

THFC

17 St Swithin's Lane
London EC4 8AL

Nationwide

Kings Park Road
Moulton Park
Northampton NN3 6NW

GB Social Housing

The Future Business Centre
Kings Hedges Road
Cambridge CB4 2HY

BAE Systems

14/16 Caxton Street
London SW1 0QT

abrdrn

1 George Street
Edinburgh

External Auditor

Beever and Struthers

St George's House
215-219 Chester Road
Manchester M15 4JE

Internal Auditors

Astari

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

Bankers

Barclays Bank plc

Harford Square
Lampeter
Ceredigion

Barcud Monitoring Group

Chair's Report

Following on from our report of last year the Group has continued to be exceptionally busy and I wish to begin by thanking the members for their ongoing commitment and selflessness. I also wish to thank the Barcud Team for providing us with a multitude of opportunities to present the tenants' views and recommendations on matters which are important to us.

Last October, the Group hosted Barcud's first Tenants' Conference at which we presented our Annual Report and sought consent from our fellow tenants to represent their interests for the coming year. We are honoured to have received their consent and we continually work with the Barcud Team in the interest of both tenants and the association. The Group's Annual Report can be found on the Barcud website along with other information about us.

Following on from the Tenants' Conference the Group held its AGM at which the officers of the Group were elected and amendments to the Group's Terms of Reference to increase inclusion were adopted. Vic Brown was re-elected as Vice-Chair, Peter Deakin was re-elected as Treasurer, Kelli Di Capri was elected as Secretary, and I was re-elected as Chairperson. We wish to thank the members for the trust and confidence they have afforded us.

In November, the Group nominated Barcud for a TPAS Cymru 'Good Practice' award for our inclusion in the Barcud Team. At the presentation event we were disappointed that Barcud was not shortlisted but pleasantly surprised when both Barcud and the Group received a Special Recognition award for working as one. The award has been gratefully received and has shone a light on Barcud's proactive approach to tenant involvement and the value it places on its tenants' voice.

So, what else have we been doing? Again, I find myself having the unenviable task of having to briefly summarise the Group's activities since our last report which is never an easy task. Two of the key activities which the members have been able to start again are our Void Relet Inspections and Estate Management Inspections. The opportunity to meet with staff in person once again was very much needed and appreciated. In March we hosted the first of this year's Tenant Liaison Forums online and at the

time of writing this report (July) we are excited to be hosting our first in person Tenant Liaison Forum at the Aberystwyth Football Club in the coming week. Believe it or not but this will also be the first time that the Group's members will have met in person as we have conducted all our meetings online since we were formed.

Members of the Group have attended a wealth of TPAS Cymru events with tenants from across Wales. These events are a combination of networking, training, and consultation events on Welsh Government proposals. The Group has also made its own submissions on the Renting Homes Act Wales 2016, Regulatory Standards for RSLs and we are currently composing our submission on WHQS 2023.

The officers of the Group have continued to meet monthly with the Leadership and Operational Management Team, attended the Barcud Business Planning events, attended the recent Regulatory self-assessment review, attended a training session with the Board with HQN and held our monthly Group meetings. Members have reviewed various Barcud Policies, participated in the review of the STAR survey review and action plan, participated in the 'Out of Hours' service review, H&S and Wellbeing forum, Rent setting review, Draft Decarbonisation Strategy and much more. Our involvement with Barcud is wide ranging and both Barcud and the Group are continually expanding our level of involvement.

Finally, we are continuing to see increased interest in the Group from our fellow tenants and we wish to thank Barcud staff for their positive promotion of the Group and we look forward to working with Barcud as it enters its third year of operations.

Paul Clasby,

Chairperson, Barcud Monitoring Group.



Strategic Objective 1

To provide 5,000 affordable, mixed tenure, high quality sustainable homes in Mid-Wales by 2025.

Cwrt Y Maen, Machynlleth

This development provides eleven 1 and 2 bedroom flats in the centre of Machynlleth. The scheme was subject to some delay because the locally based contractor was badly affected by the pandemic. Practical completion took place in September 2021 and the resultant development is of high quality, greatly enhancing what was a brownfield site within the centre of the town.



Maes Corton, Presteigne

This mixed tenure scheme comprises of thirty six homes - 14 social rented, 10 Rent To Own and 12 open market. It was completed through a phased handover between September 2021 and January 2022 and was very popular with all open market properties selling quickly. The development was shortlisted for best residential development of the year at the Insider Wales Property Awards 2022.

During 2021/22 the association replaced and/or installed:

External Wall Installation	20
PVs	22
Air Source Heat Pumps	20
Other Heating	70
Doors & Windows	65
Roofs	53
Kitchens	132
Bathrooms	97

Ridgeway View, Churchstoke

This scheme comprises of ten semi-detached houses and bungalows, delivered under the Welsh Government's Rent to Own scheme. The development supplements the Association's adjoining scheme of 28 social rented properties at Orchard Close. These homes were completed in November 2021 and occupying tenants have the option to complete their purchase 2023-2026

Phase 2 Dol Dalis (Brongest), Lampeter

This development of eight Rent to Own properties completed in March 2022 formed the second phase of the of the fourteen social rented homes completed in 2020. The development of four 3-bedroom and four 2-bedroom houses proved popular, with all homes occupied a short time after marketing.

Existing Dwellings

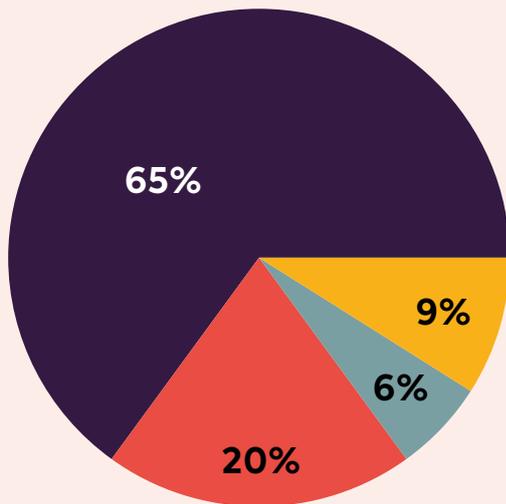
Two existing dwellings were purchased in the last financial year - 18 and 20 Penmorfa, North Road, Aberystwyth.

Compliance

A full programme of inspection and testing of heating systems, electrical wiring, asbestos, legionella management and fire risk assessments are undertaken with the association achieving 99.9% compliance on gas, oil and flue inspections throughout the year. It is important to access tenants' homes to do these inspections and the housing team support tenants through this process if needed.

In addition, the Association is well on course to meet the new Fitness for Human Habitation Regulations stemming from the new Renting Homes Act, specifically in relation to all properties heated with fossil fuelled appliances having CO detectors installed. Also, all of our properties will be on a five-yearly electrical inspection programme by July 2023. These key compliance areas are independently audited at least once in every three years and quarterly Health & Safety reports presented to each Audit & Performance Committee and to Board on a six monthly cycle.

Welsh Housing Quality Standard Compliance March 2022



Fully Compliant

Residents' Choice

The tenant has specifically requested that the Association does not change, improve or replace an element which is failing WHQS. It is only where there is a health and safety risk that we would insist that the component is changed.

Physical Constraint

A component fails because of the size of the dwelling or landscape of the adjoining land, e.g. a small kitchen which doesn't adhere to the space or storage requirements.

Timing of Remedy

A component fails to meet the standard but is programmed for replacement within the next five years.

Strategic Objective 2

To be an excellent community landlord, which also offers support and care services.

Lettings

The letting of a property to a new tenant is a fundamental housing management function and for Barcud is achieved via the Ceredigion Housing Register and the Powys Common Housing Register. Both registers utilise their respective Common Allocation Policies. Barcud is the major partner of both registers.

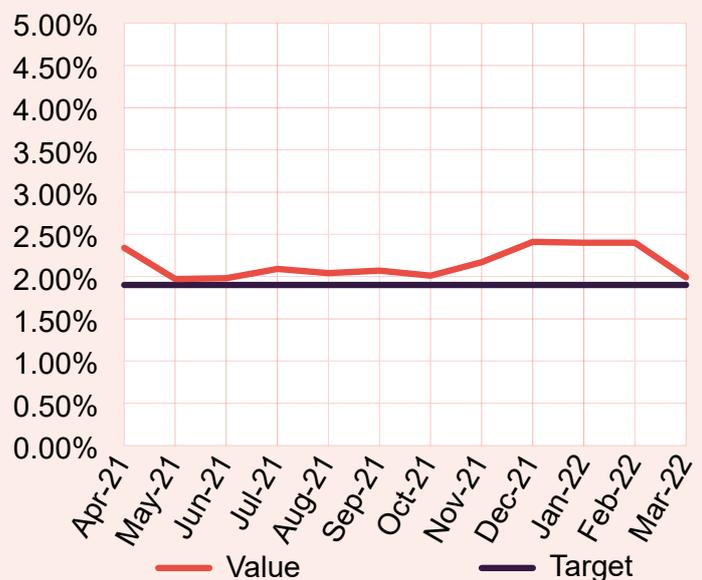
Lettings for 2021/22 consisted of:

Category of Applicant Re-housed	General Needs	Sheltered Housing	Total
Ceredigion and Powys Common Housing Registers	221	40	261
Intermediate rent level	7	0	7
Rent to Own	28	0	28
Homelessness	132	10	142
Supported Housing	22	0	22
Internal Transfers within Barcud	69	9	78
Mutual Exchanges of Tenancy	21	0	21
Total	500	59	559

Of the 559 properties let, 63 were new builds.

Rent Arrears

Through keeping our rents affordable and helping tenants to sustain their tenancies, Barcud's rent arrears remained low throughout the year and were at 2% March 2022.



Financial Inclusion Support

Our tenancy sustainment (financial inclusion) Cynnal Team continues to maximise tenants' income. £630k additional 'income' has been accessed for tenants with over 700 tenants assisted by the team either by email, telephone or a visit.

Strategic Objective 2

continued

Anti-Racism and Hate Crime

Barcud takes anti-social behaviour, racism and hate crime in the communities it serves very seriously and works in partnership with the police and other third sector parties to ensure no-one suffers from such discrimination. During 2021/22 many cases have been addressed and resolved, including harassment to a disabled tenant and racist hate crimes.

Sheltered Schemes

As of April 2022, Barcud are supporting 343 tenants via Scheme Co-ordinators in Sheltered Schemes. Scheme Co-ordinators work with tenants and problem-solve in creative ways against a background of a shrinking landscape of support. They look after the Health and Wellbeing of tenants and promote independence through a high quality, bilingual person-centred housing support service.

Feedback from tenants:

'She is there to give advice, report faults and ensure the scheme is well maintained.'

'Without the Scheme Co-ordinators some of us may not have made it through the pandemic.'

'I feel safe and secure knowing contact in person gives you the will to carry on daily life.'

'She is cheerful, helpful and makes herself available to our problems and needs and always comes back with a positive outcome.'

Medra

Our internal skilled and respected maintenance and installation colleagues that undertake a variety of repairs. Medra colleagues are trained in Fire door installation, Air Source heating, Photovoltaic panel installation, gas and oil servicing, electrical testing, fencing and paths, cleaning and caretaking; and undertake a variety of repairs; and strive to provide an excellent responsive service to Barcud tenants.

Strategic Objective 3

To be a tenant and resident focused social business, which involves customers at all levels and operates bilingually.

Barcud Monitoring Group

Tenants are at the heart of everything Barcud does and tenant involvement is key in delivering all of our Strategic objectives. The Barcud Monitoring Group is an independent, constituted tenant involvement group, which Barcud funds annually. Their terms of reference state the objectives of the group are:

- To provide an accountable and representative structure.
- To influence the future of Barcud by actively pursuing involvement and consultation with tenants and the wider local community.
- To enable tenants to review the management and maintenance of Barcud properties
- To positively promote the work of the Monitoring Group within the wider area particularly with other community and support groups.

Members of the Barcud Monitoring Group review and monitor performance against KPIs and hold

staff to account for any under-performance they identify. There is also a policy review group who work with staff to ensure housing and tenant-facing policies are fit for purpose. The value of this was recognised recently when the fire safety in sheltered schemes policy was reviewed, with tenant input being invaluable from the point of view of the people who live in the schemes.

Tenant Engagement

Throughout 2021/22, there have been over 146 activities that tenants have been involved in, this ranged from meetings with the Leadership Team and Operational Management Team, to void visits and sheltered scheme forums.

Barcud hold an annual tenant conference and quarterly Tenant Liaison Forums, where many topics are discussed and question and answer sessions are held with staff. Topics covered include rent and service charges and the Welsh Housing Quality Standards.

Tenant Satisfaction

During 2021/22, the association sent out a STAR Survey to all its tenants in compliance with the Welsh Government's wider rent settlement initiative to undertake a standardised tenant satisfaction survey. 42% of Barcud tenants completed the survey, higher than the 30% usual return rate. The results have been benchmarked against ARP Research's own database of Welsh landlords that completed a STAR survey since the beginning of the COVID pandemic in March 2020.

Below are the headline results:

	Benchmark	2021 result
Satisfaction overall	81%	80%
Quality of home	81%	76%
Safety and security of home	85%	85%
Repairs and maintenance overall	74%	72%
Neighbourhood as a place to live	82%	80%
Value for money of rent	80%	78%
Value for money of service charge	65%	64%
Easy to deal with	82%	78%
Listens to views and acts on them	69%	58%
Dealing with anti-social behaviour	63%	53%
Taking part in decision making	58%	65%
Having a say in service management	55%	55%
Trust Barcud	78%	68%

Based on the results, an internal working group of staff and tenants has been established and has identified 6 key areas to address following the results of the STAR survey.

This work will continue into 2022/23:

Service Charges - Anti Social Behaviour - Digital Services
Repairs and Maintenance - Tenant Involvement - Communications and Contact

Strategic Objective 4

To work in partnership with local authorities and the Welsh Government to prevent and tackle homelessness in all its forms.

The Housing (Wales) Act 2014 placed stronger requirements on Housing Associations to support Local Authorities in carrying out their homelessness duties. However, Barcud has close working relationships with both Powys County Council and Ceredigion County Council. The Welsh Government's public health response to the Coronavirus and the associated eradication of 'priority need' for homeless applicants has provided challenges to social housing providers. Barcud has been present at all 'Silver Cell Homeless Meetings' of both Ceredigion and Powys County Councils and has provided substantial numbers of 1 bed properties to assist the respective Councils in the Welsh Government's 'Every One In' directive. Barcud's Housing Officers have taken the housing management lead in the support provided to those who have been helped temporarily by the association.

During 2021/22, 30% of empty properties were offered to Local Authorities for homelessness.

During the financial year:

- 42 homes were let on a permanent basis to homeless applicants – enabling the Local Authorities to discharge their duty
- 21 homes were let on a pending basis to homeless applicants
- 47 homeless applicants rehoused in temporary accommodation – including street homeless
- 32 properties were designated as Emergency Accommodation and managed for Barcud by the Care Society.

Barcud is the main provider of accommodation for homeless applicants in Ceredigion and Powys - 23% of lettings. One of our subsidiaries, The Care Society, manages the only night shelter in Ceredigion.

Strategic Objective 5

To be an employer of first choice that supports the local economy and communities.

First Choice Employer

We want to ensure Barcud is recognised as a great place to work throughout mid Wales. It is important that all our staff can achieve a good work life balance and feel that they are appreciated for their efforts in delivering top quality services.

Investing in our team and making them the best they can be helps us to improve our services to tenants. We've been reviewing our T&C's and we're proud that nobody working for us, earns less than the real living wage. We've also reviewed our pension provisions this year to make sure they are affordable in the long term and be the best they can be for our staff. Next year we will benchmark all benefits and pay to make sure we can attract, recruit and retain staff to deliver for our tenants.

A staff survey done in January 2022 stated that 98% of staff felt they made a valuable contribution to the success of Barcud.

Community

During 2021/22 Barcud had £17k in the community benefit pot, and used this money to:

- Resurface community tennis courts
- Purchase a running machine for a sheltered scheme
- Purchase community defibrillators
- Donate to food banks
- Donate to a community garden scheme

Creuddyn

Creuddyn is a state of the art building in Lampeter that offers business units and conference facilities for local businesses, the social care sector and charitable organisations and is perfect for start-up businesses looking for premises in the town. It is an exciting community facility that brings people together, helps tackle social isolation, support jobs, provides training opportunities and accommodates social enterprises. The centre opened in November 2021 and all units are full, the space is being utilised by a cross section of sectors from charities and food banks to PR firms and chiropractors. There is a community garden in the grounds of the centre and this gives the opportunity for local people to come together, grow vegetables and have a cup of tea and a biscuit in the community space in the centre afterwards.

Staff Training

This year a number of training courses were organised and delivered to staff including:

- First Aid
- Autism Awareness
- Hate Crime Awareness
- Safeguarding
- Fire door installation
- Dealing with drugs in housing
- Hoarding
- Dealing with difficult customers
- Youth mental health first aid
- Asbestos
- Site management safety
- Domestic abuse of older people
- Home fire safety
- Welfare benefits
- Electrical installations inspection and testing

The above training emphasises the importance of safety, supporting our tenants with mental health, disability which is why we've invested in training on these areas. Colleagues across the association also worked towards professional qualifications including accountancy and CIH certificates in Housing.



Strategic Objective 6

To be a sustainable, low carbon organisation.

Greener Homes

- PV Installations - 22
- External Wall Insulation - 20
- Air Source Heat Pumps - 20

The Association's recently approved Decarbonisation Strategy advocates a 'Fabric First' approach which is in line with current Welsh Housing Quality Standards (WHQS) 2023 proposals. Our planned component replacement programme has been re-structured and now prioritises windows and doors, EWI and heating replacements and this approach has been supported and approved by our Tenants' Panel. The Association favours Air Source Heat Pump (ASHP) installs, coupled with solar PV or High Heat Retention electric storage heating to help address the low carbon efficient heating. Consultation has been held with our tenants on 'affordable warmth' concerns and we are in the process of developing an Affordable Warmth Policy to support our Decarbonisation Strategy as we recognise the importance of minimising energy costs for our residents whilst trying to reduce our overall carbon footprint.

SAP Ratings

The Standard Assessment Procedure (SAP) is the methodology used by the Government to assess and compare the energy and environmental performance of homes. In order to meet the current WHQS it must be a score of 65 or above. Homes with a high SAP rating help to reduce fuel poverty. As at March 2022 Barcud's homes have an average SAP rating of 70.6.

Developments

All of Barcud's new build properties comply with Welsh Design Quality Requirements (WDQR) standards as a minimum and our latest developments are being built to either EPC A or near Passivhaus standards. All developments are building performance evaluated to ensure that the structure and fabric 'as built' complies with the performance standards as designed. Lifetime homes forms part of the new development criteria of which there are 5 overarching principles including sustainability. The structures of all new developments are designed using timber frames using local timbers when available. Part of our new scheme feasibility

process also assesses the attractiveness of the environment and the overall level of amenity and services on offer to ensure future sustainability and let-ability of the intended scheme. There is a recently introduced Sustainable urban drainages systems (SuDS) for new developments in Wales. The idea behind SuDS is to try to replicate natural systems that use cost effective solutions with low environmental impact to drain away surface water run-off through collection, storage, and cleaning before allowing it to be released slowly back into the environment. New developments also have renewable technology and will include car charging points in the future.



Electric vehicles

Barcud has an electric pool car that can be used by all staff members for travelling between offices, visiting tenants or any other work business. The association also has an electric van for our Caretaker to use in the Aberystwyth area. There are charging points at all offices and in our new enterprise centre Creuddyn in Lampeter.

Strategic Objective 7

To be an organisation with robust governance and finances.

A detailed 5 year budget is prepared annually in consultation with staff in order to enable the association to achieve its aims and objectives. This is scrutinised and approved by Board and then fed into the 30 year financial business plan using relevant assumptions. Board and Audit and Performance committee receive management accounts which report financial performance against the annual budget, a 2 year forward cashflow, schedules on capital spend and developments and a treasury report that monitors compliance with all covenants required by funders. This and the 30 year financial business plan provide assurance to board members that sufficient funding is in place and the Association is financially viable.

2021/22 was a successful year financially with a surplus of £4,413m (after removing the refinancing costs) and reserves of £26m. As at 31st March 2022, all subsidiaries of the Barcud group were reporting a surplus.

Covenant compliance	Bank	Golden Rule	2021/22 result
EBITDA MRI*	110%	120%	145%
Gearing**	65%	55%	35%

*EBITDA MRI - Earnings before interest, tax, depreciation and amortisation plus major repairs investment
 **Gearing - the ratio of barcud's debt to equity

Refinancing

Barcud refinanced some of its loan facilities in August 2021 and put in place a private placement with ASI and a new revolving credit facility (RCF) with Barclays.

Barcud embarked upon its refinancing project with a number of objectives:

- Simplify treasury arrangements
- Preserve value where not constraining
- Create greater corporate flexibility
- Take advantage of current low interest rates
- Improve interest rate protection & longevity
- Increase debt capacity – financial covenant headroom
- Enhance financial resilience/viability

Barcud successfully completed the project, with all objectives met or exceeded. This was an excellent outcome, it creates a more robust treasury platform, mitigating key treasury risks:

- » Interest Rate Risk
- » Refinancing Risk
- » Liquidity Risk
- » Covenant Risk

Internal Audits

There have been fourteen internal audit reviews undertaken at Barcud during 2021/22. The assurance opinions provided were:

Audit Title	Assurance level
Property compliance - electrical testing	Some
Client/contractor	Some
Project management	Reasonable
Customer services	Reasonable
Voids and repairs	Reasonable
Integration plan	Reasonable
Subsidiary Governance	Reasonable
ICT Integration	Reasonable
Risk management and assurance	Reasonable
Property compliance - gas	Substantial
Development	Substantial
Tenant participation	Substantial
Key Financial Controls	Substantial
Annual follow up	Substantial

Governance

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

Board Training & Attendance

In 2021/22 on average Board member attendance was 91%. There have been fourteen meetings including business planning days and the AGM.

Board members have attended training and conferences throughout the year:

- Stress testing
- Risk Review
- Introduction to Housing Associations
- Chairing virtual meetings
- Starter tenancy hearings
- CHC Governance conference
- CHC finance conference
- CHC mental health and wellbeing conference
- CHC Decarbonisation conference
- Safety summit
- Board member café

Environmental, Social and Governance

Through our annual ESG report, we demonstrate our environmental responsibility, how our activities have a positive impact on people in our communities, as well as a robust governance framework. In 2021/22 Barcud refinanced part of its loan facility and agreed a new £50m private placement with ASI, along with a revolving cash facility of £20m with Barclays Bank. Both facilities had ESG targets linked to the level of margin on the loans.

Environmental

Barcud has a strategic objective to be a sustainable, low carbon organisation.

As a social housing provider, we face a multi-faceted challenge: to mitigate the impacts of climate change whilst continuing to provide affordable, safe, energy-efficient homes for our tenants and residents. We recognise that to achieve this, we need to be prepared and ready to respond to the transition to a sustainable, low carbon future.

To respond to this challenge, Barcud has set a strategic objective to be a sustainable, low-carbon organisation.

The IPCC's Special Report (SR15) on climate change highlights the potentially devastating impacts if global warming reached 1.5°C. At the current rate, global warming is likely to reach 1.5°C between 2030 and 2052. The report paints a stark picture of how ecosystems will respond: increase in temperature extremes, increase in frequency and intensity of precipitation.

To contribute to limiting global warming to 1.5°C, Barcud needs to reduce GHG emissions across the organisation by 38% by 2030 and achieve Net Zero by 2050 from a 2020 baseline.

To understand how this could be achieved, Carbon Trust calculated our scope 1 and 2 carbon footprint for the financial year 2020/21 and used insights from our carbon footprint and feedback collected from key stakeholders, to produce a decarbonisation strategy, which outlines our plan for addressing the challenge of decarbonisation and meeting our strategic objectives.

Our decarbonisation strategy at a glance

ACTION AREAS

Offices

- Reduce energy demand
- Improve energy efficiency
- Shift to low carbon energy

Communal Areas

- Reduce energy demand
- Improve energy efficiency
- Shift to low carbon energy

Fleet

- Assess feasibility of electric vehicles
- Explore options to lease vehicles
- Align fleet operating strategies

Homes

- Data collection, monitoring and analysis
- Delivery mechanisms
- Costs and funding
- Engagement and take up
- New developments

DELIVERY

Governance and risk

- Deliver priorities through existing governance mechanisms
- Assign responsibilities to ensure delivery of the strategy
- Include assessment of climate-related risks in existing corporate risk map

Financial and strategic planning

- Consider climate-related issues in financial planning decisions
- Take a forward-looking approach to assessing the strategic implications of climate-related risks and opportunities

Monitoring and reporting

- Monitor and assess progress against the relevant strategic objectives and emissions reduction target
- Establish a reporting framework for climate-related information

Engagement with the community

- Encourage staff, tenants, suppliers and local government to support our vision
- Consider interdependencies between strategic approach and wider social, economic and political issues

Social

Barcud has three strategic objectives that relate directly to its social purpose as a social housing provider:

- To be an excellent community landlord, which also offers support and care services.
- To be a tenant and resident focused social business, which involves customers at all levels and operates bilingually.
- To work in partnership with local authorities and the Welsh Government to prevent and tackle homelessness in all its forms.

The Association has mixed tenure stock across Mid Wales in order to provide the communities it serves with suitable, affordable homes for people. The emphasis is always on affordable housing in line with our strategic objectives.

The mix of properties is:

General needs	3,671
Sheltered accommodation	358
Intermediate Rent	79
Market Rent	20
Rent to Own	44
Leaseholders	186
Shared Ownership	3
Homebuy	3
Garages	656

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

- **Affordable:** We will consider the total costs of renting homes and incomes to understand what is affordable for our tenants, and ensure that tenants have the greatest opportunity to sustain their tenancies and thrive.
- **Sustainable:** We will set rents that allow us to continue to provide high quality, safe, warm homes for the people who need them in the communities we serve.
- **Engage:** We will involve tenants to develop and review our approach to rent setting, and inform our decisions on rents.
- **Fair:** We will work to ensure that rents and other charges are set fairly and our homes and services represent value for money.
- **Accountable:** We will be open, transparent and accountable when we make decisions on rents.

Governance

To be an organisation with robust governance and finances.

The Regulator expects associations to:

- be open and honest about risks, issues and challenges they identify and how they plan to address these
- raise relevant matters with the Regulator promptly
- work with the Regulator constructively to resolve challenges
- act voluntarily to address any material concerns identified through regulation.

In July 2022, Barcud received its regulatory judgement from Welsh Government.

Governance and Tenant Services **- Compliant**

The Association meets the regulatory standards and will receive routine regulatory oversight.

Financial Viability **- Compliant**

The Association meets the regulatory standards and will receive routine regulatory oversight.

ESG Targets 2021/22

Barclays

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

Target - 15%

Achieved - 30%

Environmental KPI 2 - the average Standard Assessment Procedure rating of the Borrower's housing properties (pool designated as any units in place by May 2021) for the immediately preceding Financial Year.

Target - 70.7

Achieved - 70.3

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

Target - Compliant

Achieved - Compliant

Social KPI 2 - the number of people who are assisted by our training academy during the immediately preceding Financial Year.

Target - 25 people

Achieved - 56 people

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

Target - 83

Achieved - 85

ASI

KPI - 82% of a designated pool of existing properties will achieve an EPC-C (SAP 69 and above) rating by end of the financial year 2028.

Executive Director's Report

While COVID has still not disappeared from our lives and working practices, its effect seen in previous years has lessened. Despite this, towards the end of 2021-2022 it became evident that more challenges were just around the corner, most notably the cost of living crisis.

While the majority of our service users were able to stay safe to avoid COVID infections, there was no way they could escape the oncoming, spiralling effects of rising fuel and food prices on their limited incomes. They are now being hit hard in the pocket and, consequently, demand for our services has never been higher.

It is evident that in such unprecedented times of need, the Care Society delivers. This will be evidenced by The Care Society's Impact Assessment Report which will be available to download from The Care Society Website – caresociety.org.uk

Throughout 2021-2022, mental health presentations hit an all-time high and with no adequate long term financial relief in sight, our staff worked diligently to prepare the way for our worried service users, trying to ease the impending and increasing burden on them.

Our dedicated, key worker staff continue to rise to each new unparalleled challenge that presents itself. They deserve nothing but the utmost praise and thanks for always 'going the extra mile' and the selfless and often emotionally exhausting work that they do, day in day out.

Against this backdrop it is reassuring that the Care Society's financial stability and reputation has strengthened over the period of this report offering an opportunity to broaden our reach to assist more people.

The Care Society continues to show resilience and commitment in the face of uncertainty, and I would like to express my gratitude to Barcud, our parent body, for their continued support together with Ceredigion County Council, the Welsh Government, Dyfed Powys Police and partner agencies.

Diolch

G Evans

Executive Director

Chair's Report

Over the last year as Wales has started to emerge from the necessary restrictions on daily life as a result of pandemic, The Care Society has continued to reach out and provide our essential services that make such a big impact to many lives of people we work with.

This work has only been possible because of our passionate and dedicated colleagues who give so much of themselves to help make others' lives that much better. The Board are incredibly proud and inspired by everything they do and extend our heartfelt thanks to all of them. They absolutely embody the 'care' in The Care Society.

As demand for our services has increased, there have been opportunities to grow some of our existing services and to explore new ones. This has led to another year of improved performance and greater financial stability, helping to secure the longer-term future of The Care Society.

Whilst we might be emerging from the pandemic, we have a new challenge to face in the form of the cost-of-living crisis. Again, this crisis will not only adversely impact the people we work with, but also our colleagues. We will do what we can to support people through this difficult time.

I would like to thank the Board and colleagues of the wider Barcud Group for their continued support and dedication to the success of The Care Society and express my thanks to the Leadership Team for the support they provide to the Board whilst carrying their roles with compassion and determination.

Anthony Hearn

Chair

Achievements & Performance

Another successful year for The Care Society, resulting in a surplus of £236k which will be added to reserves to ensure the Charity is financially viable and robust. Reserves now stand at £964k and are a mixture of restricted and unrestricted. There was cash of £534k in the bank as at 31st March 2022. 2021/22 has been an extremely busy year for The Care Society and charitable activity has continued to focus on meeting challenges.

During this period this is evidenced by:

Social Lettings

Live bonds	115
Referrals	133
Units of accommodation available	111
Landlords on the scheme	70
Live tenancies	107

Community Support and Befriending

Hours of support	488
Individual service users	60

Accessed Emergency Accommodation

Adults	119
Children	18
Total	137



Other Activities

Shopping	625
Food parcels	253
Prescription collections and delivery	193
Additional community support activities	902
Welfare checks	778
Relocation of service users	45

Testimonial

Night Shelter and Temporary Accommodation

“When I came here, I didn’t want to be here. I made things really difficult for you, well for everyone. I am autistic and I hated being here. But now, I love it here and I don’t want to leave. You have all been so great and helped me so much.”

Board Members

Anthony Hearn (Chair)	Peter Saunders
John Rees (Vice Chair)	Stephen Cripps
Catherine Shaw	Ceri Williams
Margaret Gallagher	



As we invest more in our assets and our staff, and continue to provide a good service to our clients we now start to see an increased surplus at year-end. There is no doubt that this has been another challenging year, with price increases across many areas, from fuel to commonly used materials, with concerns on occasions about the availability of both fuel and materials as well. Recruitment and colleague retention has been challenging, although many colleagues appreciate the respect and current working conditions, and appreciate that further work will be undertaken by the Board to review Terms and Conditions again in October.

With thanks to the resilience and commitment from our colleagues, and a steady volume of capital works forecasted from Barcud and other key clients, we were able to build on our skills-base, and invest further in LoRaWAN and green technology training, health and safety training as well as team leader and leadership development training. We monitor our financial position regularly and are grateful to our Board Members for their commitment and wisdom to steer EOM into an even more positive financial position.

Colleagues held a few fund-raising events for local charities; and we worked closely with Llanidloes and Newtown schools to develop the LoRaWAN technology whilst also sponsoring apprentices from our community to become qualified in their own right. The next financial year will also be busy, and will see us install more Air Source Heat Pump heating systems and the installation of more Photovoltaic Solar panels, as well as fire door installations and hopefully more surplus will be generated in order to invest further in the business.

Richard Adrian Knight
Chair

Achievements

2021/22 was a successful year for EOM, with a trading profit before tax of £320,549. When Barcud (previously Mid Wales Housing) purchased EOM it was agreed that some profits would be gift aided back to the Housing Association. This year EOM will retain £136,536 for re investment into the business with £184,013 being gift aided back to the housing association.

In Early February EOM had its annual NICEIC assessment, the assessor visited the office and inspected three recent electrical installations. The conclusion was that our standard of work, record keeping and organisation was 'excellent' "The QS had prepared for the assessment and the office systems were well organised. The company take a proactive approach to staff development, with detailed records of training" "The certification was completed to a good standard and the test results were accurately recorded and within the expected parameters. An excellent assessment - Well done"

Apprentices

Oscar Glynn joins us as our latest Electrical apprentice on a day release basis from NPTC College, he is currently working through his level 3 electrical qualification

Oscar “I wanted to complete my apprenticeship with a well known company, such as EOM, as I knew the team would help me throughout my time here. My main interests in electrical works is installing first and second fixes in new builds and renovations”

Oscar went on to say that he had chosen a career as an electrical engineer as there is a wide variety of opportunities for work, from domestic to commercial properties and he looks forward to carrying out his apprenticeship with EOM, and possibly a career



EOM upgrades lighting with LoRaWAN technology

EOM is working closely with Safefacility a dynamic company that takes advantage of LoRaWAN technology and seeks to be the provider and installer of wireless emergency light sensors, fire alarms and CO2 sensors, this innovative sensor technology enables statutory obligations to be met by testing emergency lighting through automation.

Board Members

Richard Knight (Chair)

Wyn Jones

Anthony Lowri

Cadwgan Thomas

Fleur Whittingham

David Hall



Chair's Report for Year Ending 31 March 2022

To say the last two years have been something of a challenge is probably rather an understatement. All of us have been impacted by the pandemic one way or another and not always in a positive way. But, as things have started to move towards some normality again over the past year, it is a good opportunity to look back at how Care and Repair Powys has continued to deliver quality, valued services to older and vulnerable adults across the county.

As I stated in last year's report, CRP, like many organisations, had to adapt its ways of working and this primarily entailed staff either working mainly from home, or the office, or a combination of the two. This hybrid way of working has carried on throughout the financial year and been monitored very carefully. The flexibility offered by this way of working has proved to be beneficial to staff and creates business efficiencies which in turn benefit clients and stakeholders. I am pleased to be able to report that this way of working, after full consultation with staff, has now been adopted on a permanent basis.

During the financial year, extra funding was provided by both Welsh Government and Powys County Council to meet the rising demand for support which followed the 'opening up' of society after the restrictions imposed during the initial stages of the pandemic. This has meant that a record number of 1,385 clients were helped with minor adaptations costing less than £1,000 during the year. 224 medium to large adaptation schemes were also completed which was 29% higher than the previous year. In total, the cost of adaptation works provided was £1,277,548 which again represented an increase on the total cost of works undertaken in 2020/21.

In addition to adaptation works, the Casework services staff helped 67 people gain welfare benefits worth £327,797 and both the Mamwlad farming project and the 70+ Cymru project which offers support around home energy had their funding support extended. In the case of

Mamwlad this has been extended to March 2025 and the 70+ project to the end of this calendar year.

The fact that services have continued to improve during the difficult last couple of years is a great testament to the hard work and commitment of all the CRP staff, managers, front line workers and back office staff. On behalf of the Board, I would like to thank everyone involved in not only keeping services going but in ensuring an improvement in those services provided.

You might expect the Board Chair to extol the virtues of the services provided by CRP but there is also external validation of its performance. The Casework service for CRP has been assessed against the Advice Quality Standard (AQS). This is a national quality standard for advice services designed to ensure a service is well run and assures the quality of the information and advice services it provides. It is great news that CRP has been successful in being formally awarded AQS accreditation. The assessor noted in the report recommending the award "the passion and commitment to CRP services was evident during the staff interviews for this assessment".

Not to be outdone, staff undertaking adaptations as part of the rapid response service were recently complemented in writing by colleagues from the Powys CC OT Team (North) for their "hard work and efficiency" and the fact that "the work always gets done in a timely manner".

Whilst things are currently on a bit more of an even keel, there are still challenges ahead. Funding will always be an issue for organisations like CRP although the recent decision by Welsh Government to provide funding on a three year rather than annual basis will allow for stability in planning services moving forward. The cost of materials as well as fuel costs have increased significantly in the past year and issues with availability of external contractors will all inevitably impact on some of the work of CRP and require careful management to avoid adverse effects on service provision.

The creation of Barcud at the end of 2020 was a major change and the challenges and uncertainties resulting from this are still being worked through. The recent decision of the Director of CRP, Anna Orton, to leave the organisation has, inevitably, led to further feelings of uncertainty and concern over the future direction of the agency. Recruitment will need to be addressed over the coming year.

Anna has been a great asset to CRP in her six years as Director. She has been responsible for ensuring the agency is on a much more stable financial footing, overseen the development of the provision of a wider range of services and developed a strong, well respected team who deliver valued, high quality services. This is echoed in this feedback from a client:- “every time I needed to speak to someone at Care and Repair they made me feel valued because they understood it can be difficult asking for help as well as explaining my needs”.....(the service) “improved the way I felt about myself so I coped better”. All members of the CRP Board wish her health and happiness in the future and also thank the entire CRP staff group for their excellent work this year.

Julie Metcalf
CRP Board Chair

Board Members

Julie Metcalf (Chair)
Paul Jays
Crispin Jones
Jeff Morris
Kath Roberts-Jones

Catherine Shaw
John Wilkinson

Director
Anna Orton

Achievements & Performance

A record number of 1,385 clients helped with minor adaptations costing less than £1,000.

This was supported by extra funding from Welsh Government and Powys County Council to meet rising demand and significant increases to material costs.

Total value of works at £385,329, an uplift of some £120,000.

88% of the work reduces or prevents falls, 91% prevent hospital admissions with 9% helping to speed up hospital discharge.

99% of clients were satisfied with the work and 94% would recommend the service to others.

735 Core Services clients received a mix of Casework and Technical support.

Caseworkers, including those funded through projects, helped 67 people gain welfare benefits worth £327,797, up by 89%. This is in addition to their role in gaining benevolent funding and disabled facility grants.

224 medium to large adaptation schemes completed, 29% up on the previous year. Total value of these works were £892,219, 12% up on last year.

20 schemes received benevolent funding at a value of £34,847, a 57% uplift on the previous year.

Report of the Board of Management

The Board of Management present their report and the financial statements for the year ended 31 March 2022.

PRINCIPAL ACTIVITIES

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

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

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

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

Barcud has three subsidiaries; Care & Repair in Powys, which provides support and assistance to elderly or disabled owner-occupiers, enabling them to continue to live in their own homes. In December 2018, Mid Wales Housing Association, now Barcud, acquired its principal maintenance contractor, EOM (Electrical Contractors) Ltd, thereby safeguarding the provision of the repairs and maintenance service. It is also based in Newtown. Tai Ceredigion, now Barcud, became Cymdeithas Gofal The Care Society's parent body on the 1st April 2018, Cymdeithas Gofal's principal activities are to promote Social Inclusion for the public benefit by preventing people from becoming socially excluded by reason of homelessness, at risk of losing their home, living in inadequate accommodation or unsettled circumstances in Ceredigion and surrounding counties.

FIXED & INTANGIBLE ASSETS

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

PAYMENT OF CREDITORS

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

INVESTING IN EMPLOYEES

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

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

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

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

HEALTH AND SAFETY

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

BOARD MEMBERS AND DIRECTORS

The Board members and Leadership Team who served during the year and to the present date are set out on pages 6 to 8. The Board is made up of 12 members and there is provision to fill in any skill gaps or qualifications with up to 5 co-optees.

An assessment has been made of members' skills and experience to ensure that the Board continues to carry out its role effectively.

The directors are the Chief Executive and any other person who is a member of Barcud's Leadership Team. The directors are not Board members, hold no interest in Barcud's shares and act as executives within the authority delegated by the Board.

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

REMUNERATION

Policy

The Board is responsible for agreeing the remuneration level of its directors. It agrees the appointment of directors and their remuneration, as well as the brief within which the Chief Executive can negotiate staff salaries.

The Board pays close attention to remuneration levels in the sector in determining the remuneration packages of the directors. Salaries are set having regard to each director's responsibilities and pay levels for comparable positions.

Pensions

The directors are members of the Dyfed Pension Fund, a defined benefit final salary pension scheme or Royal London Pension Scheme. They participate in the scheme on the same terms as all other eligible staff and Barcud contributes to the scheme on behalf of its employees.

Service contracts

The directors are employed on the same terms as other staff, although their notice period is between 3 and 6 months.

TENANT INVOLVEMENT

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

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

INTERNAL CONTROLS ASSURANCE

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, and not absolute, assurance against material misstatement or loss. The Board receives and considers reports from directors and management on risk management and control arrangements during the year.

The arrangements adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework, include:

Identifying and evaluating key risks

Barcud has a risk management strategy, setting out the Board's attitude and responsibility towards risk in the achievement of its objectives.

Control environment and internal controls

The processes to identify and manage the key risks to which Barcud is exposed are an integral part of the internal control environment. Such processes include strategic planning, the recruitment of directors and senior staff, regular performance monitoring and the setting of standards and targets for key operational areas.

Information and reporting systems

Financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed, approved and monitored throughout the year by the Board. The Board regularly receives reports on key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

Monitoring arrangements

Regular management reporting on control issues provides assurance to management and to the Board. It is supplemented by regular reviews by Internal Audit, which provides independent assurance to the Board via its Audit and Performance Committee. The arrangements include a rigorous procedure, monitored by that committee, for ensuring that corrective action is taken in relation to any significant control issues.

INTERNAL FINANCIAL CONTROLS

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

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

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

Key elements in ensuring a secure environment include:

- the presence of formal policies and procedures
- clear delegation of authority
- a suitable level of experienced and suitably qualified staff

- proper performance appraisal
- the preparation and monitoring of forecasts and budgets
- suitable authorisation of major commitments which might put the Group at risk
- a robust and independent internal audit service, reporting appropriately to members, with suitable follow up mechanisms in place.

The Audit and Performance Committee has reviewed the effectiveness of the system of internal control in the Group for the year ended 31 March 2022. No weaknesses were found in internal financial controls, which resulted in material losses, contingencies, or uncertainties, which require disclosure in the financial statements or in the auditors' report on the financial statements, and the Board are not aware of any such weaknesses from 1 April 2021 to date.

GOING CONCERN

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

STATEMENT OF BOARD OF MANAGEMENT RESPONSIBILITIES

The Board of Management is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Co-operative and Community Benefit Societies Act 2014 and Registered Social Landlord legislation require the Board of Management to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of Barcud and of the income and expenditure of Barcud for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and apply them consistently;

- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that Barcud will continue in business.

The Board of Management is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of Barcud and enable it to ensure that the financial statements comply with the relevant legislation. The Board is also responsible for maintaining an adequate system of internal control and safeguarding the assets of Barcud and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITOR

At the date of making this report each of the Barcud Board members, as set out on pages 7 and 8, confirm the following:

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

Approved on the 28th July 2022 and signed on its behalf by:



John Jenkins,
Chair of the Board of Management

Governance

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

Organisational Purpose

Decision Making, Risk and Control

Leadership

Board Effectiveness

Integrity

Diversity

Openness and Accountability

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

Barcud received its annual regulatory judgement from Welsh Government in July 2022.

The judgement stated:

Governance and Tenant Services

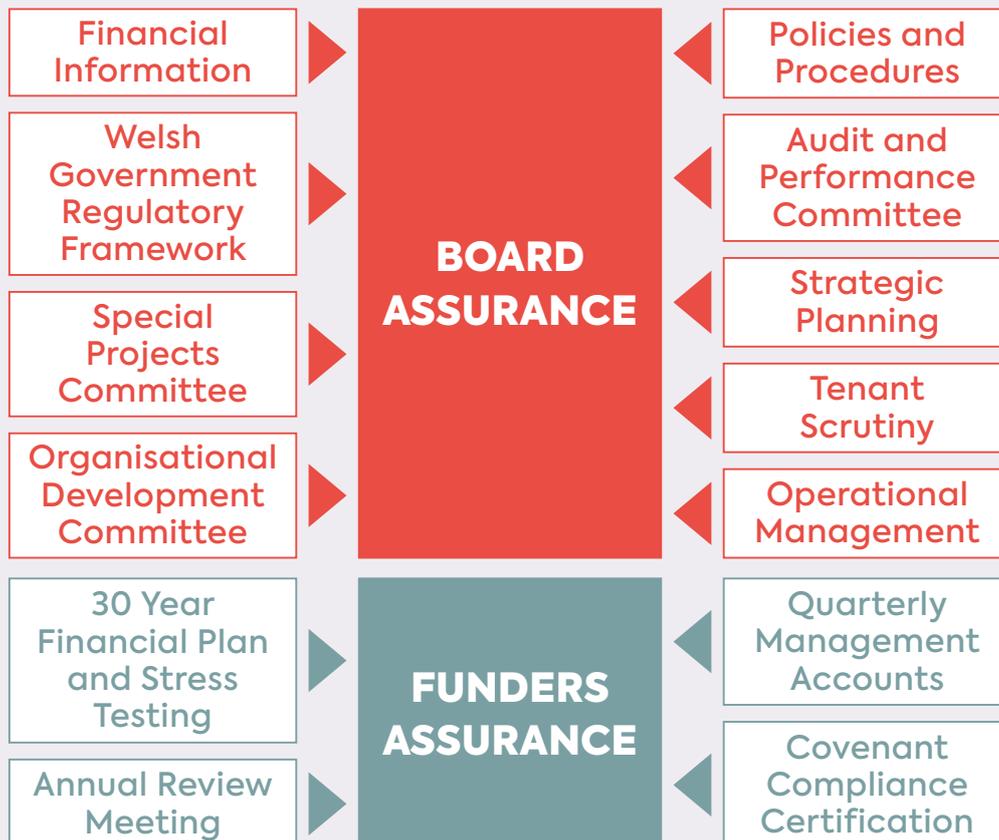
- Compliant

The Association meets the regulatory standards and will receive routine regulatory oversight.

Financial Viability

- Compliant

The Association meets the regulatory standards and will receive routine regulatory oversight.



Value For Money

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

1. Economy

doing things at the 'best price'

2. Efficiency

minimising waste and doing things the 'best way'

3. Effectiveness

doing the 'right things' by maximising the positive outcomes produced

Wales has added a fourth 'E' for consideration:

Equity

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

Barcud has an extensive Value for Money policy which describes how Barcud will strive to achieve high standards of value for money across the Association by being economic, efficient and effective in the pursuit of social objectives that benefit a range of stakeholders. As organisations with social purpose, housing associations are committed to maximise value for their tenants, future tenants and the wider community. The sector's global accounts have identified a suite of indicators used for assessing value for money and benchmarking across the sector.

Part of the VFM work in Barcud is through procurement, raising money for community benefits. This can be anything from asking for a percentage of a tender amount to be donated to the community benefit fund to specifying the number of local apprentices the contractor must employ during the term of the work.

During 2021/22 Barcud had £17k in the community benefit pot, and used this money to:

- resurface community tennis courts
- purchase a running machine for a sheltered scheme

- purchase community defibrillators
- donate £1.5k to food banks
- donate £1k for a community garden scheme

Barcud measures itself on VFM performance using the average results of housing associations in Wales and reports this performance to the Board, tenants and other stakeholders.

Result from 2021/22 are below:

	Barcud 21/22	Average 20/21
Operating costs per social housing unit	£2,472	£3,418
Management costs per social housing unit	£1,164	£1,308
Reactive Repair costs per social housing unit	£1,262	£1,138
Major repairs (component rep) per social housing unit	£1,448	£961
Bad debt per social housing unit	£30	£28
Weighted average cost of capital	3.2%	4.7%
Gross arrears	2.7%	4.9%
Total turnover per social housing unit	£6,182	£5,737
Rent void loss per social housing unit	£63	£96

Income and Expenditure



MONEY IN 2021/22	£'000
Rent and Service charges	21,872
Supporting People Grant	233
Medra Services	8
Welsh Government Gap Funding	1,600
Social Housing Grant	6,406
Other grants	557
Sale of housing properties	2,075
Feed in Tariff	72
Other Income	653
Total	33,476

MONEY OUT 2021/22	£'000
Management and service costs	5,731
Day to day repairs	5,240
Improving homes	6,009
Purchase existing properties	953
New homes	11,687
Interest payable on loans	3,482
Depreciation	4,839
Other costs	2,389
Total	40,330



Financial Review

Barcud reported a deficit of £3.6m for the year ended 31 March 2022 on a total turnover of £27.8m after incurring £7.5m of refinancing costs. An operating margin of 26.6% was achieved. The results for the period and for 2021/22 are summarised in the table below:

Financial Highlights - Two Year Summary	Barcud Results	
For the year ended 31 March	2022	2021
Statement of Comprehensive Income	£'000	£'000
Total turnover	27,831	25,184
Income from Social Housing lettings	24,771	24,357
Depreciation	4,839	4,709
Amortisation	1,066	1,128
Interest payable	3,482	4,150
Operating Surplus	7,416	8,035
Statement of Financial Position	£'000	£'000
Fixed assets, at depreciated costs	220,913	207,855
Social Housing and other grants	99,150	93,822
Net current assets	8,631	15,922
Provision for pension liability	4,451	5,301
Long term loans	94,380	81,489
Total reserves	23,799	25,766

Financial Risks

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

Cashflow risk

One of the main risks is the possibility of interest rate changes. As at 31st March 2022, Barcud had 88% of its loan liabilities on a fixed interest rate. Another risk is the loss of income because of the cost of living crisis, differential inflation and changing of the rent setting policy. Loss of the Welsh Government £1.6m gap funding is also a risk, although it is guaranteed on a rolling two year basis. There are internal controls in place such as regular stress testing and mitigation work on the business plan and prudence when setting budgets.

Credit risk

Barcud's principal assets are bank balances and cash, rent arrears and other receivables. The amounts presented in the Statement of

Financial Position are net of allowances for bad debts. The association fully provides for former tenant arrears except where recovery is assessed as likely. Provision against current tenant arrears is based on the aged profile of the amounts due. There is no significant concentration of credit risk, with exposure spread over a large number of counterparties and tenants.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, Barcud uses a mixture of long term and short term finance. A major refinancing exercise in 2021/22 of £50 million and a £20m revolver facility means Barcud has sufficient liquidity for the next 5 years as a minimum.

Independent Auditor's Report to the Members of Barcud Cyf

Opinion

We have audited the financial statements of Barcud Cyf (the parent association) and its subsidiaries (the group) for the year ended 31 March 2022 which comprise the group and parent association's Statement of Comprehensive Income, the group and parent association's Statement of Financial Position, the group and parent association's Statement of Changes in Reserves, the group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent association's affairs as at 31 March 2022 and of the group and parent association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Board is responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on page 28, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- We obtained an understanding of laws and regulations that affect the group and parent association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative

and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015, tax legislation, health and safety legislation, and employment legislation.

- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the group's activities and the regulated nature of the group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of the audit report

This report is made solely to the association's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers,
Statutory Auditor
The Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT
Date: 12 September 2022

Group and Association Statement of Comprehensive Income

For the year ended 31 March 2022

	Note	Group		Association	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
TURNOVER	2a	30,650	28,366	27,831	25,184
Less: Operating costs	2a	(21,001)	(19,950)	(18,669)	(17,233)
: Cost of Sales		(1,746)		(1,746)	
Surplus on disposal of housing properties	3	-	84	-	84
OPERATING SURPLUS	2a	7,893	8,500	7,416	8,035
Interest receivable		2	47	2	47
Interest and financing costs	7	(3,482)	(4,161)	(3,482)	(4,150)
Refinancing	24	(7,529)	-	(7,529)	-
SURPLUS/(DEFICIT) FOR THE YEAR	4	(3,116)	4,386	(3,593)	3,932
Actuarial gains/(losses) on pension scheme	21	1,196	(251)	1,196	(251)
Property revaluation	9	550		429	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(1,370)</u>	<u>4,135</u>	<u>(1,968)</u>	<u>3,681</u>

Group and Association Statement of Financial Position

As at 31 March 2022

	Note	Group		Association	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
FIXED ASSETS					
Intangible Assets	8	670	554	581	435
Housing properties - Gross cost less depreciation	9	212,594	198,198	212,594	198,198
Other property, plant and equipment	10	6,898	8,231	5,956	7,440
Investment property		240	225	-	-
Investments	11	771	771	1,782	1,782
		<u>221,173</u>	<u>207,979</u>	<u>220,913</u>	<u>207,855</u>
CURRENT ASSETS					
Inventories	12	556	168	428	59
Debtors	13	17,118	19,860	16,528	19,304
Cash and cash equivalents		8,010	6,934	6,800	5,752
		<u>25,684</u>	<u>26,962</u>	<u>23,156</u>	<u>25,115</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(15,045)</u>	<u>(9,455)</u>	<u>(15,125)</u>	<u>(9,193)</u>
NET CURRENT ASSETS		<u>10,639</u>	<u>17,507</u>	<u>8,631</u>	<u>15,922</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		231,812	225,486	229,544	223,777
Pension liability	21	(4,451)	(5,301)	(4,451)	(5,301)
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	<u>(201,603)</u>	<u>(193,057)</u>	<u>(201,294)</u>	<u>(192,710)</u>
NET ASSETS		<u>25,758</u>	<u>27,128</u>	<u>23,799</u>	<u>25,766</u>
CAPITAL AND RESERVES					
Non-equity share capital	16	-	-	-	-
Revenue Reserves		25,758	27,128	23,799	25,766
		<u>25,758</u>	<u>27,128</u>	<u>23,799</u>	<u>25,766</u>

The financial statements on pages 37 to 66 were approved by the Board on 28th July 2022 and were signed on its behalf by:



John Jenkins
Chair



John Rees
Board Member



Kate Curran
Group Director of
Corporate Services

Group and Association Statement of Changes in Reserves

For the year ended 31 March 2022

Group Statement of Changes in Reserves

	Revenue reserves
	£'000
At 1 April 2020 Combined	22,993
Surplus/(loss) for the year	4,386
Actuarial loss in respect of pension schemes	(251)
	<hr/>
At 31 March 2021	27,128
	<hr/> <hr/>
At 1 April 2021	27,128
Surplus/(loss) for the year	(3,116)
Actuarial loss in respect of pension schemes	1,196
Surplus on the revaluations of Freehold Property	535
	<hr/>
At 31 March 2022	25,743
	<hr/> <hr/>

Association Statement of Changes in Reserves

	Revenue reserves
	£'000
At 1 April 2020 Combined	22,085
Surplus for the year	3,932
Actuarial loss in respect of pension schemes	(251)
	<hr/>
At 31 March 2021	25,766
	<hr/> <hr/>
At 1 April 2021	25,766
Surplus for the year	(3,593)
Actuarial gain/(loss) in respect of pension schemes	1,196
Property	429
	<hr/>
At 31 March 2022	23,798
	<hr/> <hr/>

Group Statement of Cash Flows

For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Net cash generated from operating activities	A	12,250	11,058
Cashflows from investing activities			
Purchase of property, plant and equipment		(20,016)	(18,418)
Proceeds from sale of property, plant and equipment		1,051	302
Grants received		6,392	6,610
Interest received		3	47
Property revaluation		(540)	-
Net cashflow from investing activities		(13,112)	(11,459)
Cash flows from financing activities			
Finance costs paid		(2,957)	(4,213)
New loans		41,932	500
Repayment of borrowings		(29,509)	(6,449)
Finance lease interest elements		(1)	(1)
Refinancing costs		(7,529)	-
Net cash flow from financing activities		1,937	(10,163)
Net increase in cash and cash equivalents		1,076	(10,562)
Cash and cash equivalents at the beginning of the year		6,934	17,480
Cash and cash equivalents at the end of the year		8,009	6,934
A Net cash generated from operating activities			
Operating surplus for the year		8,025	8,500
Adjustment for non cash items:			
Depreciation of fixed assets		5,052	4,947
Amortisation of government grants		(1,065)	(1,128)
Amortisation of negative goodwill		-	(82)
Proceeds from sale PPE		(47)	(84)
Decrease/(increase) in inventories		(388)	(9)
Decrease/(increase) in debtors		(222)	310
Increase/(decrease) in creditors		896	(1,396)
Net cash generated by operating activities		12,250	11,058

Group Statement of Cash Flows

For the year ended 31 March 2022

Free Cashflow for the Year (Group)

	2022	2021
	£'000	£'000
Net cash generated from operating activities	12,249	10,653
Interest paid	(2,957)	(4,203)
Interest received	2	47
Adjustment for reinvestment in existing properties		
Component replacements	(6,009)	(6,406)
Purchase of other replacement fixed assets	(254)	(119)
Free cash generated before loan repayments	<u>3,031</u>	<u>(28)</u>
Loans repaid (excluding revolving credit and overdrafts)	(29,059)	(1,589)
Free cash generated after loan repayments	<u><u>(26,028)</u></u>	<u><u>(1,617)</u></u>

Notes to The Financial Statements

For the year ended 31 March 2022

1. ACCOUNTING POLICIES

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

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

(a) Accounting convention

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

(b) Basis of consolidation

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

(c) Going concern

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

(d) Turnover

Turnover represents rental and other income receivable (net of losses from voids), income from property sales, and revenue grants receivable. It also includes grants reimbursing specific expenditure on the improvement programme. Rental income is recognised from the point of properties under development reaching practical completion or otherwise becoming available for letting, net of any voids. Turnover in EOM Ltd for maintenance works is recognised when significant risks and rewards of ownership have trans-

ferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on completion of work.

(e) Property, plant and equipment - housing properties

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

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

Individual items purchased over £1,000 are capitalised in the consolidated Statement of Financial position.

i. Leaseholders

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

ii. Shared ownership properties

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

iii. Investment properties

The classification of properties as investment property or housing is based on the

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

(f) Depreciation and Amortisation

i. Freehold land is not depreciated.

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

iii. Housing properties

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

In line with the requirements of the SORP, improvements to housing properties are depreciated to write off the historical cost less the residual value on a systematic basis over their estimated useful lives. The depreciable amount is arrived at on the basis of original cost, less any residual value. The major components other than the residual property element are depreciated over the following lives:

Component	Lifecycle
Structure (including timber framed buildings)	100 years
Roof - pitched/concrete	60 years
Roof - other	20 years
Insulation	30 years
Windows and doors	30 years
Electrical rewire	30 years
Lift	25 years
Bathroom	25 years
Kitchen	20 years

Heating systems	30 years
Central heating boilers	15 years
Physical adaption equipment	25 years
Play equipment	15 years

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

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

iv. Other fixed assets

Non-housing property is divided into Offices, Industrial Units and Plant and Equipment for the purposes of carrying value on the consolidated Statement of Financial Position; Freehold land is not depreciated.

The principal lives used for other assets are:

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

v. Investment properties

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

vi. Impairment

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

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

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

(g) Inventories

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

(h) Taxation

Value Added Tax (VAT)

All income is shown net of VAT and expenditure is shown inclusive of irrecoverable VAT. The sale of newly constructed properties (or the first transfer of major interest in any property) is within the scope of VAT, albeit at 0%. Barcud has a VAT Shelter in place, for the properties transferred to Tai Ceredigion from Ceredigion County Council approved by HMRC. The VAT Shelter has an unlimited lifespan for the first cycle works to be completed on the properties included in the transfer. Under the transfer agreement Ceredigion County Council transferred the properties to Tai Ceredigion together with an obligation to undertake the WHQS works at the Council's expense. The price paid for the properties was £71,524,223 (excluding VAT); this price reflects the tenanted market value of the stock which is nil and the estimated value of the works of £71,524,223 (excluding VAT).

Corporate Tax

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

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

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

(j) Pension Costs

Barcud contributes to one defined benefit scheme and three defined contribution

schemes. Barcud is a contributing member of the Dyfed Pension Fund, a local government pension scheme which is a multi-employer scheme where it is possible for individual employers as admitted bodies to identify their share of the assets and liabilities of the pension scheme. This scheme is closed to new entrants. For this scheme the amounts charged to operating surplus are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the defined benefit liability) are recognised immediately in Total Comprehensive Income. Defined benefit schemes are funded, with the assets of the scheme held separately from those of Barcud, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date. Barcud also participates in three defined contribution pension schemes the Social Housing Pension Scheme (SHPS) administered by the Pensions Trust, NEST and Royal London. Contributions payable for the year are charged to the Statement of Comprehensive Income.

New Employees

New employees are auto enrolled into NEST but can opt into the Social Housing Pension Scheme (SHPS), both of which are defined contribution pension schemes. Contributions payable for the year are charged as part of staff costs in the Statement of Comprehensive Income.

(k) Operating Leases

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

(l) Sale of Housing Properties

Whilst it is not the general intention of Barcud to dispose of housing stock, properties can be sold for a number of reasons. Barcud may sell vacant properties as part of its ongoing asset management strategy or where economic arguments justify sale. The surplus or deficit on the disposal of housing properties held as fixed assets is accounted for in the Statement of Comprehensive Income.

(m) Social Housing Grant and other Government Grants

Government grants are recognised using the accrual method and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised.

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

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

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

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

(n) Housing Finance Grant

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

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

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

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

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

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

(p) Recycling of Grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the consolidated Statement of Financial Position to recognise this obliga-

tion as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor on the consolidated Statement of Financial Position.

For shared ownership stair-casing sales, when full stair-casing has not taken place, the recycling of grant may be deferred if the net sales proceeds are insufficient to meet the grant obligation relating to the disposal and is not recognised as a provision.

On subsequent stair-casing sales, the requirement to recycle the grant becomes an obligation if sufficient sales proceeds are generated to meet the obligation and a provision is recognised at this point.

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

(q) Interest Payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate, and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

(r) Finance leased assets

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

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

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

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

(s) Service charges, sinking funds and service costs

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

(t) Financial Instruments

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

Financial assets carried at amortised cost

- a. Financial assets carried at amortised

cost comprise rent arrears, trade and other receivables and cash and cash equivalents.

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

Financial liabilities carried at amortised cost

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

extinguished, that is, when the obligation is discharged, cancelled or expires.

(u) Cash and cash equivalents

Cash and cash equivalents are defined as:

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

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

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

2. SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Significant management judgements

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

Going Concern

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

Capitalisation of property development costs

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

Key sources of estimation uncertainty

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

Provisions

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

Defined benefit pension scheme

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

Components of housing properties and useful lives

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

Impairment

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

2a TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

Group	2022	2022	2022	2022	2021	2021	2021
	Turnover £'000	Operating Costs £'000	Cost of Sales £'000	Operating Surplus £'000	Turnover £'000	Operating Costs £'000	Operating Surplus £'000
Social housing lettings (Note 2b)	24,771	(18,430)	-	6,341	24,357	(17,004)	7,353
Other social housing activities							
Garages	264	-	-	264	243	-	243
Other grants	252	-	-	252	107	-	107
Donations	8	-	-	8	13	-	13
Promotion of social inclusion	2,278	(2,183)	-	95	2,069	(1,856)	213
Trading activities	93	(62)	-	31	43	(60)	(17)
Other	241	(5)	-	236	289	-	289
Other revenue grants	24	-	-	24	65	-	65
Non-social housing activities							
Property sales	2,075	-	(1,746)	329	58	(7)	51
Market rented properties	63	(14)	-	49	-	-	-
EOM	545	(263)	-	282	1,040	(1,023)	17
Commercial income	36	(54)	-	(18)	82	-	82
	<u>30,650</u>	<u>(21,001)</u>	<u>(1,746)</u>	<u>7,893</u>	<u>28,366</u>	<u>(19,950)</u>	<u>8,416</u>
Association							
Association	2022	2022	2022	2022	2021	2021	2021
	Turnover £'000	Operating Costs £'000	Cost of Sales £'000	Operating Surplus £'000	Turnover £'000	Operating Costs £'000	Operating Surplus £'000
Social housing lettings (Note 2b)	24,771	(18,596)	-	6,175	24,357	(17,145)	7,212
Other social housing activities							
Garages	264	-	-	264	243	-	243
Recharges to other group companies	8	(5)	-	3	97	(81)	16
Other revenue grants	252	-	-	252	107	-	107
Other	362	-	-	362	322	-	322
Non-social housing activities							
Property sales	2,075	-	(1,746)	329	58	(7)	51
Market rented property	63	(14)	-	49	-	-	-
Other	36	(54)	-	(18)	-	-	-
	<u>27,831</u>	<u>(19,669)</u>	<u>(1,746)</u>	<u>7,416</u>	<u>25,184</u>	<u>(17,233)</u>	<u>7,951</u>

2b PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
INCOME				
Rent receivable	20,665	19,997	20,665	19,997
Service charge income	1,207	1,150	1,207	1,150
Grant amortisation	1,066	1,128	1,066	1,128
Grants taken to income	1,600	1,855	1,600	1,855
Supporting People	233	227	233	227
	<hr/>	<hr/>	<hr/>	<hr/>
Turnover from social housing lettings	24,771	24,357	24,771	24,357
	<hr/>	<hr/>	<hr/>	<hr/>
COST				
Management costs	(4,667)	(4,477)	(4,833)	(4,618)
Service charge costs	(898)	(823)	(898)	(823)
Routine maintenance	(5,240)	(4,745)	(5,240)	(4,745)
Bad debts	(264)	(48)	(264)	(48)
Depreciation	(4,972)	(4,709)	(4,972)	(4,709)
Other costs	(2,389)	(2,202)	(2,389)	(2,202)
	<hr/>	<hr/>	<hr/>	<hr/>
Operating costs on social housing lettings	(18,430)	(17,004)	(18,596)	(17,145)
	<hr/>	<hr/>	<hr/>	<hr/>
Operating surplus on social housing lettings	6,341	7,353	6,175	7,212
	<hr/>	<hr/>	<hr/>	<hr/>
Rent loss due to voids (memorandum note)	261	267	261	267
	<hr/>	<hr/>	<hr/>	<hr/>

3. SURPLUS ON DISPOSAL OF HOUSING PROPERTIES

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Proceeds of sale of properties	-	292	-	292
Disposal expenses	-	(208)	-	(208)
Surplus on disposals	-	84	-	84

4. SURPLUS FOR THE YEAR

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
The surplus for the year is stated after charging/(crediting):				
Depreciation	4,892	4,763	4,839	4,706
Amortisation of intangible assets	163	187	133	157
Amortisation of grant	(1,065)	(1,128)	(1,065)	(1,128)
External auditor's remuneration				
- in their capacity as auditors	39	40	24	22
- other	3	-	3	-

5. TAXATION

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

	£'000
Corporation tax on profits	28

EOM will make a Gift Aid payment of £147k before the 31st December 2022, reducing the tax liability to Nil.

6a. EMPLOYEES

	Group 2022	Group 2021	Association 2022	Association 2021
Average monthly number of employees (including Executive Directors) expressed as full time equivalents				
Administration	26	28	16	19
Operational services				
- Office based	126	113	107	95
- Scheme managers and cleaners	16	15	16	15
- Community repairs team	80	89	54	61
- Charitable activities	37	26	-	-
	285	271	193	190

6a. EMPLOYEES (continued)

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Staff costs:				
Wages and salaries	8,159	7,918	5,707	5,665
Redundancy and settlement costs	30	19	30	19
Social security costs	751	735	545	542
Pension costs	606	574	520	492
Total	9,546	9,246	6,802	6,718

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

Salary band	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
£50,000 - £59,999	6	6	6	6
£60,000 - £69,999	4	6	3	6
£70,000 - £79,999	3	3	3	2
£80,000 - £89,999	1	1	1	1
£90,000 - £99,999	1	-	1	-
£100,000 - £109,999	1	3	1	3
£110,000 - £119,999	4	1	4	1
£120,000 - £129,999	-	-	-	-
£130,000 - £139,999	-	-	-	-
£140,000 - £149,999	-	-	-	-
£150,000 - £159,999	1	2	1	2

6b. KEY MANAGEMENT PERSONNEL REMUNERATION

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Wages and Salaries	1,429	1,375	1,354	1,300
Redundancy and Settlement Costs	30	-	30	-
Social Security Costs	166	159	159	152
Other Pension Costs	165	158	160	153
Other Benefits	3	4	3	4
Board Members				
Wages and Salaries	1	-	1	-
Social Security Costs	-	-	-	-
Other Pension Costs	-	-	-	-
Expenses	5	7	5	7
	<u>1,799</u>	<u>1,703</u>	<u>1,712</u>	<u>1,616</u>
Remuneration of the Group Chief Executive excluding pension contributions	<u>137</u>	<u>140</u>	<u>137</u>	<u>140</u>

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

7. INTEREST AND FINANCING COSTS

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Interest on loans - repayable by instalments in				
Less than 1 year	401	-	401	-
1-5 years	123	659	123	659
More than 5 years	2,862	3,549	2,862	3,538
Finance Leases	5	5	5	5
Pension finance costs (see note 21)	108	112	108	112
Borrowing costs capitalised	(21)	(164)	(21)	(164)
Other	4	-	4	-
	<u>3,482</u>	<u>4,161</u>	<u>3,482</u>	<u>4,150</u>

8. INTANGIBLE FIXED ASSETS – COMPUTER SOFTWARE

	Group £'000	Association £'000
COST		
At 1 April 2021	1,130	981
Additions	279	279
Disposals	(73)	(73)
	<hr/>	<hr/>
At 31 March 2021	1,336	1,187
	<hr/> <hr/>	<hr/> <hr/>
DEPRECIATION		
At 1 April 2021	576	546
Charge in year	163	133
Disposals	(73)	(73)
	<hr/>	<hr/>
At 31 March 2022	666	606
	<hr/> <hr/>	<hr/> <hr/>
NET BOOK VALUE		
At 31 March 2022	670	581
	<hr/>	<hr/>
At 31 March 2021	554	435
	<hr/> <hr/>	<hr/> <hr/>

9. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES (ASSOCIATION ONLY)

	Housing Properties Completed £'000	Housing Properties Under Construction £'000	Completed Shared Ownership £'000	Total £'000
COST				
At 1 April 2021	222,235	10,388	26	232,649
Additions	7,216	11,687	-	18,903
Disposals	(291)	-	-	(291)
Transfer to completed	7,914	(7,914)	-	-
At 31 March 2022	<u>237,074</u>	<u>14,161</u>	<u>26</u>	<u>251,261</u>
DEPRECIATION				
At 1 April 2021	34,445	-	6	34,451
Charge in year	4,455	-	-	4,455
Disposals	(239)	-	-	(239)
At 31 March 2022	<u>38,661</u>	<u>-</u>	<u>6</u>	<u>38,667</u>
NET BOOK VALUE				
At 31 March 2022	<u>198,413</u>	<u>14,161</u>	<u>20</u>	<u>212,594</u>
At 31 March 2021	<u>187,790</u>	<u>10,388</u>	<u>20</u>	<u>198,198</u>

Additions to completed properties held for letting

	2022 £'000	2021 £'000
Replacement of components	6,009	6,406
Purchase of existing properties	953	410
Developments	11,687	9,218
Improvements	254	119
	<u>18,903</u>	<u>16,153</u>
Charged to Statement of Comprehensive Income	<u>5,240</u>	<u>4,745</u>
Total expenditure on completed properties	<u>24,143</u>	<u>20,898</u>

10. OTHER PROPERTY, PLANT AND EQUIPMENT (GROUP)

	Freehold properties £'000	Leasehold properties £'000	Commercial properties £'000	Commercial property under construction £'000	Market rented properties £'000	Other £'000	Total £'000
COST							
At 1 April 2021	912	427	3,767	2,505	1,128	2,483	11,220
Additions	-	-	523	-	-	420	944
Transfer	-	-	2,505	(2,505)	-	-	-
Disposal	-	-	-	-	-	(417)	(417)
Release of grant following revaluation	-	-	(2,608)	-	-	-	(2,608)
Revaluation	(46)	-	419	-	-	-	373
At 31 March 2022	866	427	4,606	-	1,128	2,487	9,516
DEPRECIATION							
At 1 April 2021	157	126	476	-	-	1,827	2,586
Charge in year	8	5	43	-	-	301	357
Disposals	-	-	-	-	-	(389)	(389)
Revaluation	(150)	-	(10)	-	-	-	(160)
At 31 March 2022	15	131	509	-	-	1,740	2,395
IMPAIRMENT							
At 1 April 2021	-	-	403	-	-	-	403
Transfer	-	-	(180)	-	-	-	(180)
At 31 March 2022	-	-	223	-	-	-	223
NET BOOK VALUE							
At 31 March 2022	853	296	3,874	-	1,128	747	6,898
At 31 March 2021	755	301	5,393	2,325	1,128	654	8,231

10. OTHER PROPERTY, PLANT AND EQUIPMENT (ASSOCIATION)

	Market Rented £'000	Leasehold properties £'000	Commercial properties £'000	Commercial property under construction £'000	Other £'000	Total £'000
COST						
At 1 April 2021	1,128	427	3,767	2,505	2,122	9,949
Additions	-	-	523	-	323	846
Disposals	-	-	-	-	(370)	(370)
Transfer	-	-	2,505	(2,505)	-	-
Release of grant following revaluation	-	-	(2,608)	-	-	(2,608)
Revaluation	-	-	419	-	-	419
At 31 March 2022	1,128	427	4,606	-	2,075	8,235
DEPRECIATION						
At 1 April 2021	-	126	476	-	1,504	2,106
Charge in year	-	5	43	-	256	304
Disposals	-	-	-	-	(342)	(342)
Revaluation	-	-	(10)	-	-	(10)
At 31 March 2022	-	131	509	-	1,418	2,058
IMPAIRMENT						
At 1 April 2021	-	-	403	-	-	403
Charge in year	-	-	(180)	-	-	(180)
At 31 March 2022	-	-	223	-	-	223
NET BOOK VALUE						
At 31 March 2022	1,128	296	3,874	-	657	5,956
At 31 March 2021	1,128	301	5,393	-	618	7,440

11. FIXED ASSETS INVESTMENTS

Group	2022	2021
	£'000	£'000
Homebuy loans		
At 1 April	603	603
Repayment of loans	-	-
At 31 March	<u>603</u>	<u>603</u>
Monies on deposit		
	168	168
	<u>771</u>	<u>771</u>

Association

	2022	2021
	£'000	£'000
Homebuy loans		
At 1 April	603	603
Repayment of loans	-	-
At 31 March	<u>603</u>	<u>603</u>
Monies on deposit		
	168	168
Investment in wholly owned subsidiary	1,011	1,011
	<u>1,782</u>	<u>1,782</u>

12. INVENTORIES

	Group	Group	Association	Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Stock of materials	178	168	50	59
Properties for sale	378	-	378	-
	<u>556</u>	<u>168</u>	<u>428</u>	<u>59</u>

13. DEBTORS

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Gross rent and service charge arrears	645	933	591	886
Less: provision for bad debts	(347)	(418)	(336)	(410)
Net rent arrears	298	515	255	476
Trade debtors	201	160	-	-
Housing Finance Grant	199	199	199	199
Sinking fund	59	59	59	59
Prepayments and accrued income	1,339	1,516	992	1,136
	<u>2,096</u>	<u>2,426</u>	<u>1,505</u>	<u>1,870</u>
Amounts falling due after more than one year:				
Housing Finance Grant	3,711	3,830	3,711	3,830
VAT Shelter agreement	11,312	13,604	11,312	13,604
	<u>15,023</u>	<u>17,434</u>	<u>15,023</u>	<u>17,434</u>
	<u>17,119</u>	<u>19,860</u>	<u>16,528</u>	<u>19,304</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Trade creditors	308	1,988	793	1,791
Rent charges received in advance	644	459	644	459
Social Housing Grant received in advance	7,204	2,003	7,204	2,003
Government grants deferred income	788	1,128	788	1,128
Housing Finance Grant	199	200	199	200
Deferred income on bonds	57	55	57	55
Recycled capital grants	138	-	138	-
Finance leases	24	23	1	1
Other taxation and social security	270	260	146	174
Loans	920	695	909	684
Accruals and other creditor	4,493	2,644	4,246	2,698
	<u>15,045</u>	<u>9,455</u>	<u>15,125</u>	<u>9,193</u>

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

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Loan due after more than one year	93,727	81,072	93,472	80,805
Government grants – deferred income	91,173	92,694	91,158	92,694
Housing Finance Grant	3,711	3,829	3,711	3,829
Deferred income on bonds	1,418	1,438	1,418	1,420
Recycled capital grants	105	243	105	243
Finance leases	157	177	118	115
VAT shelter agreement	11,312	13,604	11,312	13,604
	<u>201,603</u>	<u>193,057</u>	<u>201,294</u>	<u>192,710</u>

Housing loans are secured by a charge on the total property stock owned by Barcud. Loans are secured by a fixed charge on the Association's land and buildings. They are repayable by instalments at both fixed and variable rates. A refinancing exercise was undertaken during 2021/22, see note 24 for details.

Debt Analysis – Housing Loans	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
One year or less	919	695	908	684
More than one and less than two years	933	696	921	684
More than two and less than five years	3,496	12,126	3,457	12,089
In more than five years	89,298	68,250	89,094	68,032
	<u>94,646</u>	<u>81,767</u>	<u>94,380</u>	<u>81,489</u>

Deferred Income – Government Grants	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
At 1 April	93,822	90,051	93,822	90,026
Grant receivable	6,408	5,004	6,393	5,029
Amortisation to Statement of Comprehensive Income	(1,065)	(1,128)	(1,065)	(1,128)
Transfer to Recycled Capital Grant	-	(105)	-	(105)
At 31 March	<u>99,165</u>	<u>93,822</u>	<u>99,150</u>	<u>93,822</u>
Due within one year	<u>7,992</u>	<u>1,128</u>	<u>7,992</u>	<u>1,128</u>
Due after one year	<u>91,173</u>	<u>92,694</u>	<u>91,158</u>	<u>92,694</u>

16. NON-EQUITY SHARE CAPITAL

	Group 2022	Group 2021	Association 2022	Association 2021
Shares at £1 each, allotted and issued				
As at 1 April 2021	307	286	307	286
Issued during the year	15	21	15	21
At 31 March 2022	<u>322</u>	<u>307</u>	<u>322</u>	<u>307</u>

17. CAPITAL COMMITMENTS

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Capital expenditure contracted but not provided for in the financial statements	<u>6,256</u>	<u>11,786</u>	<u>6,256</u>	<u>11,786</u>
Capital expenditure authorised by the Board but not contracted	<u>19,512</u>	<u>9,516</u>	<u>19,512</u>	<u>9,516</u>

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

18a. OTHER FINANCIAL COMMITMENTS (GROUP)

	2022		2021	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Other leases which expire:				
Within one year	43	31	55	15
Within one to five years	171	44	95	22
More than five years	86	-	36	-
	<u>300</u>	<u>75</u>	<u>186</u>	<u>37</u>

18b. OTHER FINANCIAL COMMITMENTS (ASSOCIATION)

	2022		2021	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Other leases which expire:				
Within one year	-	8	-	15
Within one to five years	-	5	-	22
	<u>-</u>	<u>13</u>	<u>-</u>	<u>37</u>

19. HOUSING STOCK (GROUP)

	2022 Number	2021 Number
Number of units in management		
Housing accommodation for letting:		
General housing	3,713	3,665
Sheltered housing	358	358
Intermediate Rents	79	75
Market Rent	20	9
	<u>4,170</u>	<u>4,107</u>
Other units		
Right-to-buy leases	186	188
Shared ownership	3	3
Garages	656	656
To be sold	-	-
Homebuy	3	3
Freeholders with services	80	80
	<u>80</u>	<u>80</u>

20. FINANCIAL INSTRUMENTS

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Financial Assets				
Measured at discounted amount receivable				
Rent arrears financing transactions (see note 13)	298	654	255	615
	<u>298</u>	<u>654</u>	<u>255</u>	<u>615</u>
Financial Liabilities				
Measured at amortised cost				
Loans payable (see note 14)	920	695	909	684
Measured at undiscounted amount payable				
Trade and other creditors (see note 14)	308	1,988	793	1,791
	<u>308</u>	<u>1,988</u>	<u>793</u>	<u>1,791</u>
	<u>1,228</u>	<u>2,683</u>	<u>1,702</u>	<u>2,475</u>

21. PENSION SCHEME

Barcud participates in the Dyfed Pension Fund.

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

For the year commencing 1 April 2021 the employer contributions were 42.5% of pensionable pay. The budgeted Current Service Cost for the year commencing 1 April 2022 is approximately 34.9% of pensionable salaries which is expected to result in an approximate service cost of £433,000.

Statement of Financial Position items as at 31 March

	2022 £'000	2021 £'000
Present value of funded benefit obligations	19,372	19,182
Present value of unfunded benefit obligations	-	-
	<hr/>	<hr/>
Total present value of benefit obligations	19,372	19,182
Fair value of plan assets	(14,921)	(13,881)
Unrecognised past service cost	-	-
	<hr/>	<hr/>
Deficit	<u>4,451</u>	<u>5,301</u>

Components of pension cost for year to 31 March 2022

Current Service Cost	466	388
Interest on Pension Liabilities	108	112
Administration Expenses	4	4
Past service cost (gain)	-	-
Effect of Curtailments or Settlements	-	-
Effect of asset ceiling	-	-
	<hr/>	<hr/>
Total pension cost recognised in SOCI	<u>578</u>	<u>504</u>

Statement of other comprehensive income

Re-measurements (liabilities & assets)	(1,196)	251
Effect of asset ceiling	-	-
	<hr/>	<hr/>
Total re-measurements included in the SOCI	<u>(1,196)</u>	<u>251</u>

Additional disclosure items

	Assets at 31 March 2022		Assets at 31 March 2021	
	£'000	%	£'000	%
Equities	10,787	72.3	10,271	74.0
Government bonds	194	1.3	-	3.9
Other bonds	1,179	7.9	1,610	11.6
Property	1,955	13.1	1,541	11.1
Cash/liquidity	254	1.7	167	1.2
Other	552	3.7	292	2.1
	<hr/>		<hr/>	
Total	<u>14,921</u>		<u>13,881</u>	

21. PENSION SCHEME (CONTINUED)

Change in benefit obligation during year to 31 March 2022

	2022 £'000	2021 £'000	
Benefit obligation at beginning of year	19,182	15,632	
Current service cost	466	388	(42.5% of pay plus interest)
Interest on pension liabilities	400	373	
Member contributions	84	84	
Past service cost	-	-	
Re-measurement (liabilities)			
Experience (gain)/loss	39	(247)	(0.2% of period end liabilities)
(Gain)/loss on assumptions	(383)	3,140	(2.0% of period end liabilities)
(Gain)/loss on demographic assumptions	(150)	-	(2.0% of period end liabilities)
Curtailments	-	-	
Settlements	-	-	
Benefits/transfers paid	(266)	(188)	
Business combinations	-	-	
Benefit obligation at end of year	<u>19,372</u>	<u>19,182</u>	

Change in plan assets during year to 31 March 2022

Fair value of plan assets at beginning of year	13,881	10,773	
Expected return on plan assets	292	261	
Re-measurement (assets)	702	2,642	(4.7% period end assets)
Administration expenses	(4)	(4)	
Business combinations	-	-	
Settlements	-	-	
Employer contributions	232	313	
Member contributions	84	84	
Benefits/transfers paid	(266)	(188)	
Fair value of plan assets at end of year	<u>14,921</u>	<u>13,881</u>	
Actual Return on plan assets	993		(6.7% of period end assets)

Summary of actuarial assumptions used

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

	Beginning of period	End of period
- Rate of CPI inflation / CARE benefits	2.1%	2.1%
- Rate of increase in salaries	3.6%	3.6%
- Rate of increase in pensions	2.2%	2.2%
- Discount rate	2.4%	2.4%

Whole fund asset details

	Value (£m)	Determined as at
- Last actuarial valuation	2,576	31 March 2019
- Start of period	2,958	31 January 2021
- End of period	3,181	28 February 2022

22. RELATED PARTIES

Barcud is managed by a Board of Management (the Board) of up to twelve people. One of the Board members is a tenant. The tenancies are provided based on the Barcud's standard terms. During the financial year 2020/21, rent received from tenant Board members was £5,438. The Board members cannot use their position to their advantage.

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

Transactions within the Group were:

Care & Repair in Powys

	Invoiced	Outstanding 31/03/2022
Amounts charged to	£23,945	£7,710
Amounts charged from	£51,341	£10,198

Within note 13 there is £25,779 included in the prepayments, accrued income and other debtors relating to SLA fee for the group.

Within note 14, there is £7,500 within accruals for the Adaptation grant fee.

Cymdeithas Gofal The Care Society

	Invoiced	Outstanding 31/03/2022
Amounts charged to	£45,314	£9,441
Amounts charged from	£160,389	(£1,044)

EOM Limited

	Invoiced	Outstanding 31/03/2022
Amounts charged to	£2,513,005	£695,300
Amounts charged from	£278,725	£117,783

Within note 14 there is £9,684 included in accruals and other creditors relating to contracted work not invoiced.

23. DEVELOPMENT AGREEMENT

Barcud entered into a Development Agreement co-incident with the date of transfer of the housing stock from Ceredigion County Council (CCC), to carry out an agreed schedule of refurbishment works to the properties. The value of these works was £71.5m (excl. VAT). The cost to CCC of contracting for these works to be undertaken was offset against an equal increase in the purchase price of the stock paid by Barcud. The works contracted will be carried out over an envisaged 15 year period and will be recognised as they are undertaken, in accordance with the accounting policy for major, cyclical and responsive repairs. In the event that Barcud chooses not to complete the works specified, the development agreement may be terminated at no financial loss to Barcud. Please refer to Notes 13 and 15 for amounts outstanding at 31 March 2022.

24. REFINANCING

During 2021/2022, Barcud Cyf undertook a refinancing exercise. A private placement with Aberdeen Standard Investments of which £40m was drawn in August 2021 and a further £10m deferred tranche to be drawn down during 2022/23.

The total expenditure of refinancing was:

Expenditure shown in the Statement of Comprehensive Income	£7,528,789
Capitalised fees released over the life of the loan shown within note 13	£315,430

25. POST BALANCE SHEET EVENTS

There are no post balance sheet events.