



barcud



annual report
and financial statements
2023



barcud

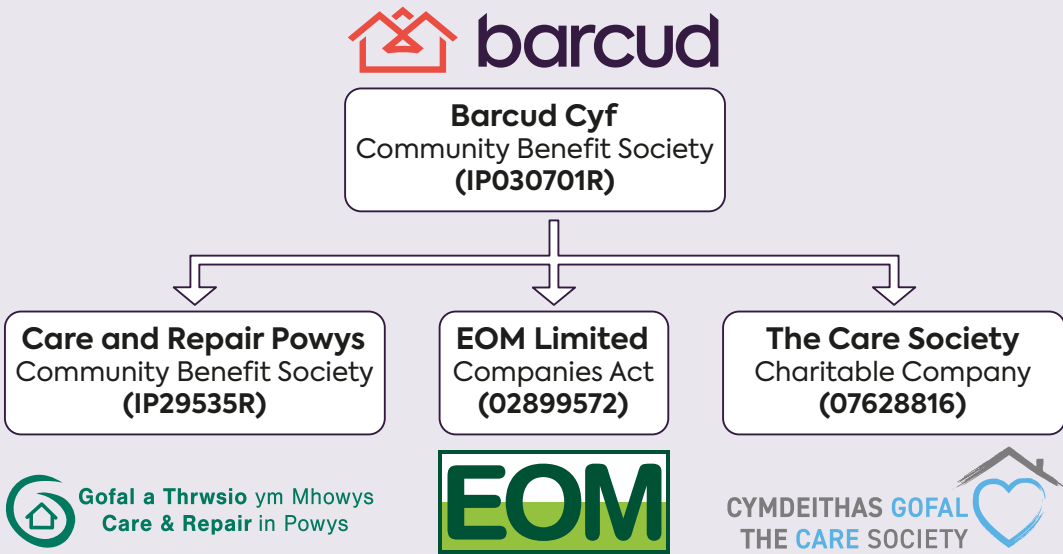
Annual Report and
Financial Statements

Year Ended 31 March 2023

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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, and The Care Society
- With 300 employees, we own and manage more than 4,200 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 2026
- 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

Introduction

From the Group Chief Executive and the Interim Chair of the Board

We are pleased to again report a successful 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, as we continued to deliver quality services and to support our most vulnerable tenants and other customers, we faced new challenges posed by the cost of living crisis. We refocussed our attention to delivering affordable warmth in our tenants' homes, and worked closely with our tenants to tackle problems of damp, condensation and mould by introducing policies which included new fast inspection processes and mitigation measures.

In 2022/23 Barcud invested a total of £7m to upgrade our existing 4,248 homes. £28m of Social Housing Grant was drawn down from Welsh Government to match fund Barcud borrowing to build over 50 new homes. We again managed to draw down and commit on more schemes than originally allocated grant funding for, due to our preparation work and willingness to take up any end of financial year grant underspend available from other regions within Wales.

The Barcud Board is fully committed to good governance, and we received our regulatory assessment from Welsh Government in June 2022 which resulted in a compliant judgement for both governance and tenant services, and finance. During 2022/23 we undertook a governance review, resulting in a governance improvement plan which has now been implemented. The outcomes of the review improved Board and Leadership Team effectiveness, resulted in better meetings and revised governance policies and procedures.

Over the next year 2023/24 we will be continuing with Board member training and also recruiting new Board members as part of our succession planning. There is also work to be done on Leadership

Team succession. This will give Barcud the strong foundations on which to build its ambitious growth plans for each part of the business over the next five year period.

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 growing support for vulnerable members of the community, and creating training and enterprise to increase employment within the Mid Wales Growth Deal region. Barcud's rural SME business centre at Creuddyn, Lampeter, has continued to be fully occupied by 18 local SME and micro businesses, as part of Lampeter's town centre regeneration. Creuddyn has been the home of our Care Society subsidiary's WCVA/EU funded STEP project up until its end in September 2022, for persons over 25 years of age; having successfully helped 76 participants to receive vital training and work experience back into employment. Outside of office hours, the Creuddyn business centre and conferencing suite has been well used by the local community for local social, training and education events. Our Powys Care and Repair subsidiary company team has helped 858 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 155 vulnerable homeless persons and families in temporary housing accommodation in Ceredigion and Powys provided out of Barcud's housing stock or in leased / managed private rented sector stock.

Throughout 2022/23 we continued to work in partnership with our tenant representatives, with both operational and strategic review task and finish groups including elected tenants, and full involvement of Barcud Monitoring Group members in the development and review of policies and annual business planning and risk management reviews.

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 opportunities 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.

We would like to take this opportunity to thank all of our colleagues and Board members for their commitment and energy in achieving all of the above within an increasingly difficult external social and economic environment. Special thanks to our previous Chair, John Jenkins, for his many years of voluntary work for Tai Ceredigion and Barcud, John stepped down as Chair in January 2023. 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 to deliver their statutory duties. Partnership working and community resilience is at the heart of everything we do.

Finally, as we move into a new financial year, we are pleased to announce that the Barcud Group has appointed a new Chair - Alison Thorne. Alison brings valuable knowledge as a very experienced Board member and has an exceptional track record in leadership roles. Her diverse perspective and solid strategic thinking make her an ideal person to lead our Board of Directors as we continue to grow and adapt in a rapidly changing sector.



Steve Jones
BA Hons FCIH Cert Mangt
Group Chief Executive



Dafydd Lewis
Interim Chair



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



Siân Howells
Group Director of
Development & Asset
Management



Eleri Jenkins
Group Director of
Housing & Support

Funders

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

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 Barcud Monitoring Group (BMG) has continued to be exceptionally busy and I wish to begin by thanking the members for their ongoing voluntary commitment and selflessness. I also 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 in-person Tenants' Conference in Aberystwyth Football Club, 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. Vic Brown was elected as Vice-Chair, Peter Deakin as Treasurer, Kelli Di Capri as Secretary, and I was re-elected as the Chairperson. We wish to thank the members for the trust and confidence they have afforded us.

In November, Peter Deakin and I hosted a workshop on how the BMG works with Barcud at the TPAS Cymru annual conference. This was attended by tenants and housing staff from across Wales and was well received. Steve Jones Barcud Group CEO was one of the three panellists which opened the Conference and he spoke about the importance of tenant involvement and how it had benefited Barcud. Over the past year TPAS Cymru has been very keen for the BMG to promote its work with Barcud to the wider housing sector, and tenants.

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. The BMG has recognised the need to provide a document containing the Group's activities, how it works with Barcud and how it operates. We have produced a comprehensive guide which can also be found on the Barcud website if you want to learn more about us.

In March we hosted the first of this year's Tenant Liaison Forums in Newtown, and at the time of writing this report (June) we are preparing for our second Forum at the Aberystwyth Football Club in the next couple of weeks. This will also be the first time that the Group has extended an invitation to the Chairperson of the Barcud Group Board to speak. This will be the first opportunity the Group's members and our tenants will have to meet with Alison Thorne, and we are grateful that she accepted our invitation.

The introduction of the Renting Homes Act Wales 2016 last December has created a huge amount of work for the various Barcud teams. Other than the new Occupation Contract the Group's members have reviewed a wealth of policies. Later this year we will begin work with staff members on the new version of the Tenants Handbook to bring it in line with the new Act. The Welsh Government's new approach to Damp, Mould & Condensation (DMC) has also resulted in a great deal of work for the various Barcud teams. The Group has been involved with the new Policy, appealed to our tenants to report any incidents of DMC in their homes and has representation on the DMC Task Group. The BMG members will be further involved with the monitoring and design of this new process.

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 submitted its response to the Welsh Government consultation on WHQS 2023 in which we expressed our concerns about financing, timelines, and the delivery of their proposals.

Our involvement with Barcud is wide ranging and both Barcud and the Group are continually expanding our level of involvement. Throughout the year we have

continued with our usual activities with the Leadership and Operational Management Teams, and the Barcud Group Board. As stated, a comprehensive list of our activities and level of involvement with Barcud can be found in our guide on the Barcud website.

The BMG has always been aware of the importance of hearing about tenants experiences and how they can assist Barcud in improving the services it provides. We would like to thank the Leadership Team for adopting our proposal which will see members of the Leadership Team visiting estates across the operational area with other staff members throughout the summer. The BMG will also be expanding its engagement events from July, and we will be providing tenants with the opportunity to chat with us informally online.

These events will be quarterly and will also enable tenants to learn more about the BMG and how to be involved with us or Barcud's other tenant involvement opportunities.

Finally, we would like to thank our fellow tenants for their continued support, 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 fourth year of operations. On a personal note, I would like to thank Barcud for nominating me for the TPAS Cymru "Tenant of the Year" Award 2022. Winning this award was a great honour and only made possible through Barcud's approach to true tenant involvement.

Paul Clasby,
Chairperson, Barcud Monitoring Group.



Presteigne Estate Inspection



Welshpool Estate Inspection

Strategic Objective 1

To provide 5,000 affordable, mixed tenure, high quality sustainable homes in Mid-Wales by 2026.

Llety'r Eos, Heol Dinas, Penparcau

Our innovative housing scheme of 9 one-bedroom flats that replaced a row of redundant garages. The scheme was developed using modern methods of construction providing a three-storey building arranged in a way that provided each flat with its own unique external amenity space and parking. The development includes electric car charging points.

Heating: Air source heat pumps with solar PV
Developer: William Homes (Bala) Ltd



Maes y Cledrau, Llansantffraid-ym-Mechain

A development of 26 new homes in the rural village of Llansantffraid-ym-Mechain, comprising of 16 social-rented properties and 10 rent-to-own properties available for purchase. The development includes a mix of 1, 2,3 and 4 bedroom houses and bungalows.

Heating: Air source heat pumps with solar PV
Developer: Pickstock Homes



William Ainge Court, Welshpool

An ambitious scheme comprising of the construction of 15 one and two-bedroom PassivHaus flats and extensive improvement works to existing flats at William Ainge Court in Welshpool. The new flats are to the highest possible standard in terms of energy efficiency. The existing flats have been transformed with external wall insulation, new windows, new heating system and new roof with solar PV panels.

Heating: Electric with solar PV
Developer: Mid-Wales Property Ltd



Maes Llanio, Blaenplwyf

A development of 3 homes on vacant land within the existing Maes Llanio estate. Comprising of two 2-bedroom and one 3-bedroom houses.

Heating: Air source heat pumps with solar PV
Developer: TR Jones Ltd



Strategic Objective 1

continued

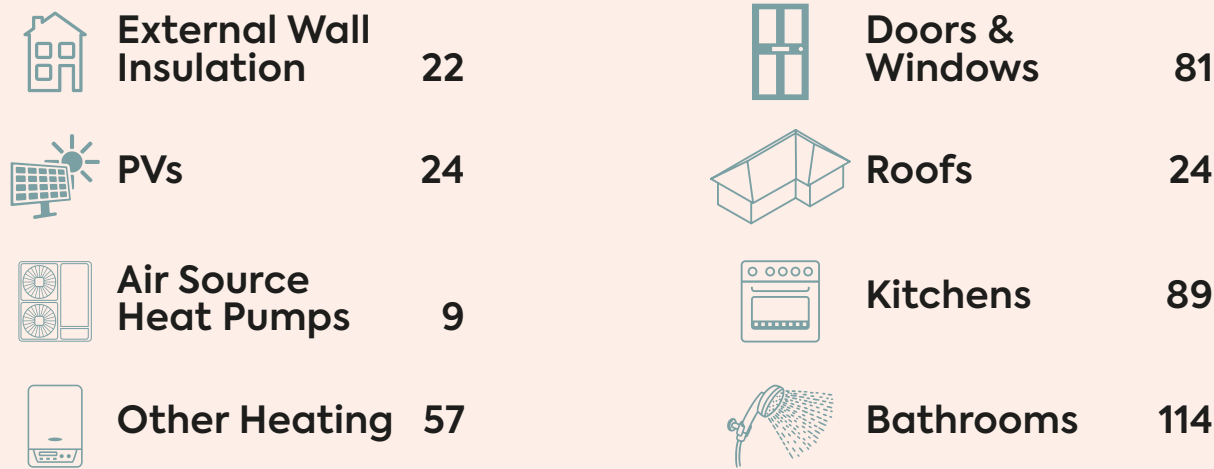
Existing Dwellings

Three two-bedroom flats were purchased from leaseholders in the financial year, all in the Aberystwyth area. In addition to this, a mixture of two and three bedroom houses were purchased from a neighbouring association, increasing our social rented stock by 25 homes in Ceredigion.

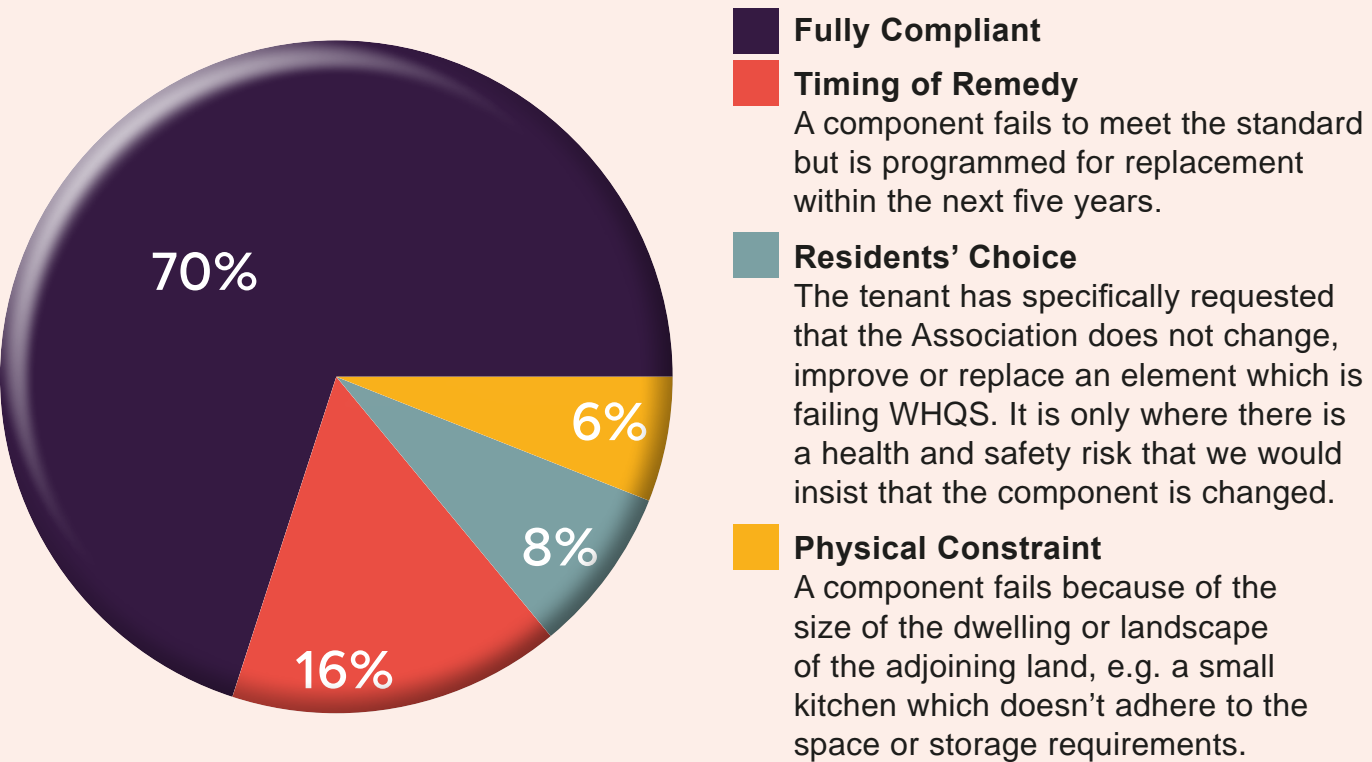
Health and Safety Compliance

A full programme of inspection, servicing and testing of heating systems, electrical wiring, asbestos, legionella management and fire risk assessments are undertaken throughout the year. During 2022/23 the Association developed new damp, mould and condensation policies and procedures, with the focus on tenants reporting any issues they had in their homes in order to address and assist.

During 2022/23 the association replaced and/or installed:



Welsh Housing Quality Standard Compliance March 2023



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 2022/23 consisted of:

Category of Applicant Re-housed	General Needs	Sheltered Housing	Total
Ceredigion and Powys Common Housing Registers	189	47	236*
Intermediate Rent	5	0	5
Rent to Own	22	0	22
Market Rent	3	0	3
Purchases properties with sitting tenants	25	0	25
Homelessness	61	0	61
Supported Housing	8	0	8
Internal Transfers within Barcud	35	9	44
Mutual Exchanges of Tenancy	18	0	18
Total	366	56	422

*92 of these lettings were classified as homeless.

Of the 422 properties let, 61 were new builds.

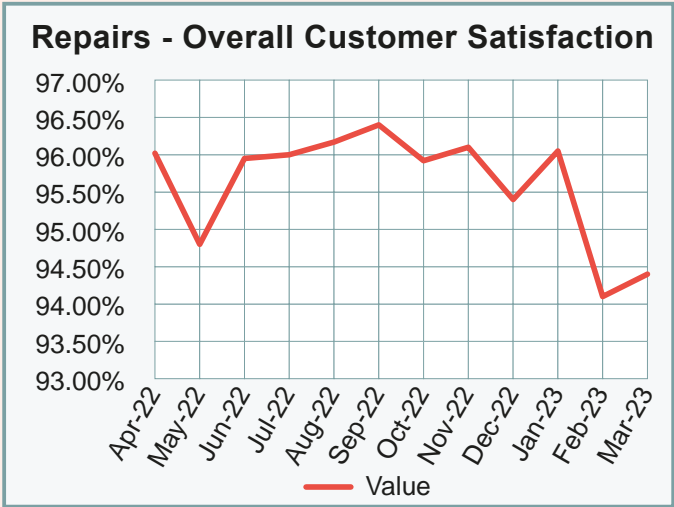
Financial inclusion support

Our tenancy sustainment (financial inclusion) Cynnal Team continues to maximise tenants' income. Over £1.7m additional 'income' has been accessed for tenants with over 4,000 contacts made by the team either by email, telephone or a visit.

Repairs

Our internal skilled and respected maintenance and installation colleagues 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. 80% of tenants said they'd had an appointment before work started compared to 63% twelve months earlier.

During the year average customer satisfaction on repairs was 96%, compared with a target of 97%. Work is ongoing to improve this service to tenants, by offering more appointments and working on increasing right first-time repairs.



Comments from the feedback forms include

"Very happy with the work and contractors"
"Clean, tidy, courteous, very impressed with the fitters"
"Young lad was fantastic with the tenant (answered by carer)"
"Very quick to come for repair"
"11/10 very happy & very satisfied with the work done"
"Very happy overall, cannot thank Barcud enough"

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.

BMG have reviewed the:

- New tenant questionnaire
- Barcud newsletter
- Customer contact policy
- Fire safety policy for sheltered schemes
- Electrical safety policy
- Barcud's next 5 years survey
- Customer services script
- New occupation contracts
- Adaptations and musculoskeletal disorders policy
- WHQS compliancy policy
- Anti-social behaviour policy
- Tenant involvement action plan
- Electrical inspection covering letter
- Damp, mould and condensation strategy
- Rechargeable works and service charge policies
- Transfer, illegal occupation and abandonment policies

The BMG have attended

- Specification Working Group discussing de-carbonisation and heating replacement solutions
- WHQS presentation by Sian Howells
- Board HQN workshop on risk management
- Board meetings to give feedback on Barcud's Strategic Objectives – regulatory self-assessment
- Discussions with Steve Jones and Board Chair on Barcud's destination statements
- Board remuneration meeting with Central consultancy
- Rent setting meeting



Tenant Wins Top Award

Mr Paul Clasby, Chair of Barcud Monitoring Group, won the TPAS Cymru 'Tenant of the Year Award' for 2022. The award is presented to a Tenant who has gone over and above the call of duty with tenant engagement, scrutiny and support within the housing sector. Paul has been a member of the former Tai Ceredigion Monitoring Group since 2012 and continues his commitment to Tenants' rights with the Barcud Monitoring Group following the merger of Tai Ceredigion and Mid-Wales Housing in 2020. This is wonderful news and acknowledgement for all of Paul's hard work with the Monitoring Group supporting Barcud tenants and staff.

Strategic Objective 3

continued

Tenant Engagement

Throughout 2022/23 there have been over 175 activities and events held that tenants have been involved in. These include:

- Tenant Liaison Forums
- Tenant Liaison Panels
- Sheltered Scheme forums
- Void property and Estate Inspections
- TPAS events and networks
- Skip days on estates
- Consultation events
- Barcud Monitoring Group events
- Annual Tenant Conference

Tenant Satisfaction

During 2021/22 the association sent out a STAR survey to all its tenants, which is a Welsh Government standardised tenant satisfaction survey. The STAR survey is carried out every two years, in 2022/23 the same questions were asked to tenants through phone surveys. Below are the headline results:

Question		2021 STAR Survey Results	2022-23 Phone Surveys
		Overall Satisfaction	
1	How satisfied or dissatisfied are you with the service provided by your housing association?	80%	85.5%
2	How satisfied or dissatisfied are you with the overall quality of your home?	76%	83%
3	Generally, how satisfied or dissatisfied are you with the way your housing association deals with repairs and maintenance?	72%	80%
4	How satisfied or dissatisfied are you with your neighbourhood as a place to live?	80%	83%
5	How satisfied or dissatisfied are you that your rent provides value for money?	78%	87.5%
6	How satisfied or dissatisfied are you that your service charges provide value for money?	64%	79.5%
7	How satisfied or dissatisfied are you that your housing association listens to your views and acts upon them?	58%	70.5%
8	Thinking about your home specifically, how satisfied or dissatisfied are you that your housing association provides a home that is safe and secure?	85%	91%
9	How satisfied or dissatisfied are you with the way your housing association deals with antisocial behaviour?	53%	72%
10	How satisfied or dissatisfied are you with opportunities given to you to participate in Barcud's decision making processes?	65%	74.5%
11	How satisfied or dissatisfied are you that Barcud gives you a say in how services are managed?	55%	72.5%
		Overall	
12	To what extent do you agree with the following statement - "I trust my housing association"	68%	81%

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. 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 was 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 'Everyone In' directive. Welsh Government is seeking to eradicate homelessness and is currently introducing the Rapid Rehousing Model.



Lettings

As Barcud is a main RSL provider of accommodation for homeless applicants in both Ceredigion and Powys, 40% of all our lettings (excluding mutual exchanges and stock purchased from Wales & West) have been made to homeless applicants.

32 of Barcud's Ceredigion properties are currently let to homeless applicants on an emergency basis under a tripartite Service Level Agreement with the Care Society and Ceredigion County Council. These are project based units.

Case Study

Through joint working arranged with each area manager and their teams within Powys (based in Newtown, Welshpool and Llandrindod Wells) regular meetings to manage homeless cases between Barcud and Powys County Council have evolved and taken place. This has not only been beneficial to residents and tenants but has bolstered the working arrangements between Barcud and the local authority. This has enabled many occupants who were in temporary accommodation with us to be made permanent with Barcud. The Cynnal team have been crucial to this process, assessing the affordability of offers to ensure that sustainable contracts are being created and maintained from the outset.

Strategic Objective 5

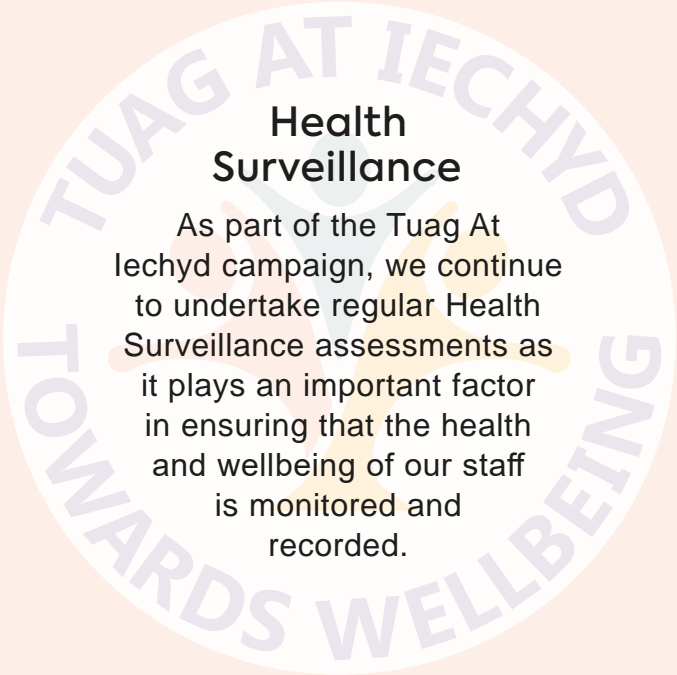
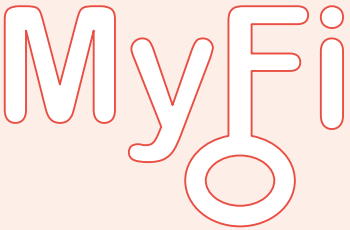
To be an employer of first choice that supports the local economy and communities.

Staff Conference

September 2022, we held our first in person Barcud Housing Association Staff Conference. The conference was held in Pontrhydfendigaid. A full day of planned activities which included a question and answer session with the Directors; a very informative talk from Mr Dafydd Morgan (Cambrian Mountains Project) and time to network and get involved in various activities with other colleagues within Barcud.

MyFi

During June/July 2022, we launched the Employee Self Service and People Manager platforms. The Employee Self Service (MyFi) enabled employees to manage their personal data e.g. update personal data, record flexi, book annual leave and view payslips and P60s etc. For the People Manager it enabled them to have a full picture of their team - who's in, who's on leave, authorisation of time sheets and overtime.



Community

During 2022/23 Barcud used the money in its community fund to:

- Provide work to a patio area, add raised beds and benches for Pine Court
- Purchase benches and plants for Brooklands
- Remove fencing and open up bin store to prevent fly tipping in Cwrt Yr Eglwys
- Remove fencing and purchase garden shed for tenants to store gardening tools in Cwrt David Williams
- Tune the piano in Bodlondeb
- Create hardstanding area & bench in Cwrt Croesawdy
- Provide a prize for a Penglais School competition

Salary Benchmarking and Pension Review

During 22/23, Barcud undertook a major salary review benchmarking exercise. All Barcud roles were evaluated and a large number of salaries were increased as a result of the benchmarking exercise. It is advisable that a full benchmarking exercise is undertaken every 3 years in order to ensure that we remain competitive within the market. Barcud also undertook an extensive review of all of its pension schemes. Following external advice, it was recommended to reduce the number of pension schemes and to align provision as much as possible. Aligning of the pension schemes were undertaken between November 2022 and March 2023.



Strategic Objective 5

continued

Staff Training

Corporate training is delivered mainly online through iHasco.
The following courses were available to all staff during 2022/23:

- Asbestos Awareness – Autism Awareness – COSHH – Fire Awareness
- Customer Service – Cyber Security Awareness
- Display Screen Equipment – Equality, Diversity & Inclusion
- GDPR Essentials – Health & Safety Essentials
- HR Compliance & Wellbeing – Manual Handling
- Menopause Awareness – Mental Health Awareness
- Risk Assessments – Time Management – Working At Height

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

- First Aid – Sharps Practical Training
- Complaints – Management Training
- Developing People – Procurement Training
- Tackling Cuckooing and County Lines – Hoarding
- Tackling Poverty and Inequality – Epilepsy Awareness Training
- Lone Working Training – Play Area Inspection Training
- Net Zero Technologies in Housing – Solar PV Course

Colleagues across the association also worked towards professional qualifications including accountancy and CIH certificates in Housing.

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. Business tenants include: ICT PR agency, record industry graphic designer, horse breeding passport agency, taxi firms, beauty therapists, chiropractor, sports therapists, farming wholesale supplier, civil engineer and a pharmaceutical company.




Strategic Objective 6


To be a sustainable, low carbon organisation.

Greener Homes


Decarbonisation works totalling over £1.1m were completed in 2022-23, including the following:



32 PV Installations



22 External Wall Insulation



9 Air Source Heat Pumps

The Association’s recently approved Decarbonisation Strategy advocates a “Fabric First” approach which is in line with current WHQS 2023 proposals. Our planned component replacement programme has been re-structured and now prioritises window and door, EWI and heating replacements and this approach has been supported and approved by our Barcud Monitoring Group of Tenants. The Association installs Air Source Heat Pump (ASHP), coupled with solar PV when the structure of the building is sufficiently insulated enough to physically support such a system. Similarly, we continue to install High Heat Retention electric storage heating to help address existing low SAP issues. This accords with the preferences outlined to us by our tenants in relation to their “affordable warmth” concerns, as we recognise the importance of minimising energy costs for our residents, whilst trying to reduce our overall carbon footprint. Solar PV systems are also combined with hot water cylinders and smart hot water cylinders where practicable to enable the cylinders to act as thermal storage and divert surplus generation into hot water avoiding automatically returning surplus electricity to the grid. All properties purchased are assessed in terms of energy performance (EPCs). Works identified to achieve EPC A are included at viability stage to bring forward the relevant works from the outset, to ensure they meet Barcud and Welsh Government’s energy efficiency targets.

SAP Rating

The Standard Assessment Procedure (SAP) is the methodology used by the Government to assess and compare the energy and environmental performance of homes. To meet current WHQS standards, a property must have a score of SAP 65 or over and by 2029, should achieve a SAP rating of 68+ (EPC C). 64% of Barcud’s homes currently meet this higher standard. Homes with a high SAP rating help lessen fuel poverty. As at March 2023, Barcud’s homes now have an average SAP rating of 70.9 (up from 70.6 in March 2022), with an additional 165 properties improved to meet this standard in 2022/23.

Developments

All of Barcud’s new build properties comply with Welsh Development Quality Requirements standards as a minimum and our latest developments are being built to near or at Passivhaus standards, with EPC ratings all above SAP92 and an overall average SAP rating of 93 (EPC A/Passivhaus, for the 48 new dwellings constructed in 2022/23). All developments are building performance evaluated to ensure that the structure and fabric “as built” complies with the performance standards as designed. Part of our new scheme feasibility process also assesses the attractiveness of the environment and the overall level of amenities and services on offer to ensure future sustainability and lettable of the intended scheme.

Barcud Offices

Energy reports were commissioned for Tŷ Canol House and the EOM offices and undertaken on our behalf by Severn Wye Energy under a Powys County Council funded initiative. These reports provided a range of details setting out the different elements and actions required to improve the energy efficiency and renewable options for each site. Activity is ongoing in exploring quotes and resources to support the installation of measures, including renewable energy options to achieve the improvements identified. These will be presented and considered in 2023/24.

Strategic Objective 6

continued

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 business centre, Creuddyn, in Lampeter. The intention is to purchase further electric vehicles in 2023/24 and to extend our electric charging facilities throughout our office bases.



Strategic Objective 7

To be an organisation with robust governance and finances.

Finance

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 Risk Committee receive Management Accounts which report financial performance against the annual Budget, a 2 year forward cashflow, schedules on capital spend and developments and a Treasury report that monitors compliance with all covenants required by funders. This and the 30 year Financial Business Plan provides assurance to Board members that sufficient funding is in place and the association is financially viable. The plan is stress tested

and mitigations identified and modelled by the Leadership Team and the Board. 2022/23 was a successful year financially with a surplus of £4.2m and reserves of £33m. As at 31st March 2023, all subsidiaries of the Barcud Group were reporting a surplus.

Covenant Compliance	Bank	Golden Rule	2022/23 Result
EBITDA MRI*	110%	130%	131%
Gearing**	65%	55%	34%

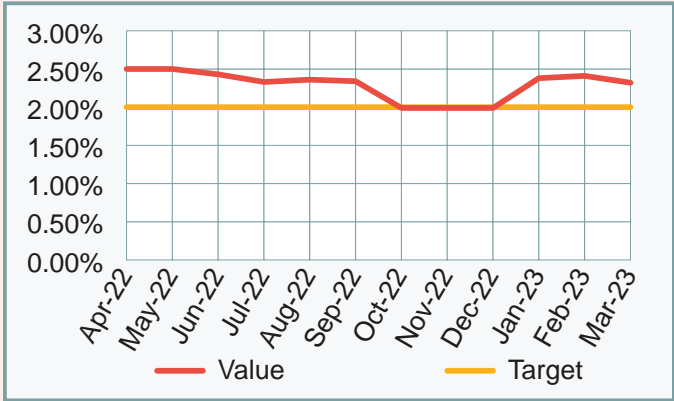
*EBITDA MRI - Earnings before interest, tax, depreciation and amortisation plus major repairs investment
**Gearing - the ratio of Barcud's debt to equity

Strategic Objective 7

continued

Rent Arrears

Through keeping our rent levels affordable and helping tenants to sustain their tenancies, Barcud's rent arrears remained low throughout the year, ensuring the financial viability of the association.



Governance

During 2022/23, the association undertook a Governance health check with an external company, the findings of which resulted in a Governance Improvement Plan. This covered areas such as:

- Recruitment of co-optees to add to the skills and experience of the Board
- Creating a Senior Independent Director role
- Delivering a Board and Leadership Team effectiveness program
- Establishing a Task and Finish Group to ensure better meetings
- Recruitment of a new Chair
- A review of the working relationship between the Board and the Barcud Monitoring Group
- Updating Governance Policies and Procedures
- Introducing Board remuneration

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.

Internal Audits

There were 13 internal audit reviews in Barcud in 2022/23. They were undertaken by Astari, the association's internal auditors. The assurance opinions provided are below. Further audit and data integrity work was commissioned on the health and safety areas where the assurance was less than reasonable.

Audit Title	Assurance Level
Leaseholder Management	Reasonable
Key Financial Controls	Reasonable
Health & Safety	Reasonable
Compliments & Complaints	Reasonable
Communication	Substantial
Risk Management	Reasonable
Asbestos Management & COSHH	Some
Recruitment & Retention	Reasonable
Performance Management - Organisational	Reasonable
Staff Development & Performance Management	Reasonable
Fire Management	Some
Service Charges	Substantial
Annual Follow Up	Reasonable

Board Training and Attendance

In 2022/23, on average, Board member attendance was 83%. There were fourteen meetings including business planning days and the Annual General Meeting. Board members have attended training and conferences throughout the year:

- Stress Testing
- Board and Leadership Effectiveness
- Equality Diversity and Inclusion
- CHC Annual Conference
- CHC Governance Conference

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 abrdn, 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.

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.



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.

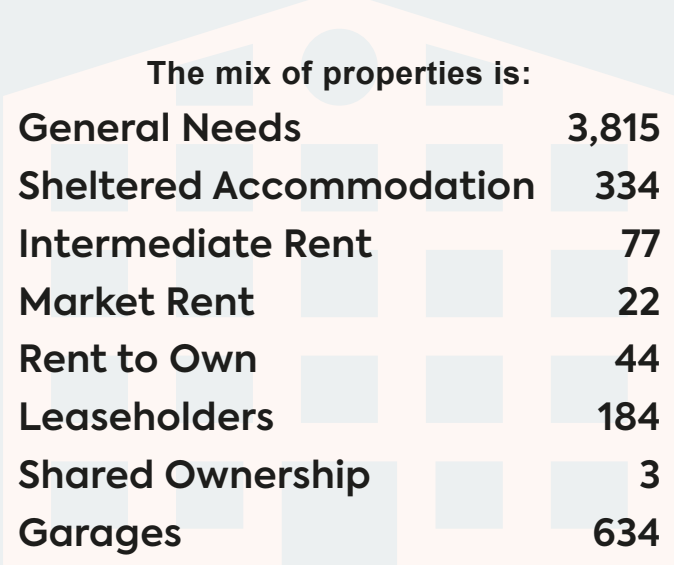
Fair:

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.

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.



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 2022/23

Barclays

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

Target - 85
Achieved - 93

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 - 70.9
Achieved - 71.05

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 - 41%

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

Target - 25 people
Achieved - 20 people
(the project has now come to an end)

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

Target - Compliant
Achieved - Compliant

abrdn

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.

Chair’s Report

The Care Society continues to provide essential services to people living in mid-Wales, supporting people who have no permanent place to call home, and helping others to remain independent in their homes. This work is often challenging, and we owe a huge debt of gratitude to our incredible colleagues who regularly go well beyond what we ask of them to ensure they deliver the right services and get the best outcomes possible. We are so proud of you all.

The cost-of-living crisis has naturally had a huge impact on the people we support and the teams have worked really hard to help alleviate this where they can by working in greater partnership with other agencies and providers to ensure no-one feels on their own.

The business has continued to grow in strength and in the past year we have reached a couple of important milestones. Firstly, we were able to meet our financial reserves policy which will help with the longer-term sustainability of the Care Society. And secondly, that good performance has enabled us to not only invest in physical resources like a long overdue replacement for our van, but also in our people by ensuring that all our colleagues are now paid at least The Real Living Wage and have an improved pension offering.

Getting The Care Society into this stable position has been the primary long-term ambition for the Board. So, the Board are planning to meet later this year to evaluate the journey we have been on and with the support of stakeholders, we would like to develop a strategy for the forthcoming years that will enable us to further strengthen this position.

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

A P Hearn
Chair

Executive Director’s Report

2022 / 2023 has been another busy year for The Care Society delivering services in a challenging economic environment and deep cutting cost of living crisis. The unprecedented increases in fuel and food prices are hitting the most vulnerable members of our communities often on limited incomes.

The Introduction and Implementation of The Renting Homes Bill has had a significant impact on the local private rented housing market. I am grateful to the Care Society Staff for preparing Occupational Contracts and ensuring property compliance. Regrettably a number of Landlords have left the market which has reduced the availability of affordable suitable accommodation and increased rental levels.

The demand and need for The Care Society services continues to rise. This will be evidenced by The Care Society’s Impact Assessment Report 2022 / 2023 which will be available to download from The Care Society website: caresociety.org.uk

Our Care Society Staff continue to ‘go the extra mile’ delivering 24 hour services 365 days of the year. In view of this I am pleased that The Care Society is now a living wage employer.

The Care Society retains financial stability and its reputation has continued to grow over the period of this report. The Care Society continues to show resilience and commitment in the face of uncertainty and I would like to express my gratitude to The Care Society Board for their support and unwavering commitment to broaden the reach of our services. I would also like to thank Barcud, our parent body, our good working relationship and infrastructure support with Barcud is integral to fulfilling our future plans. Finally, I would like to thank Powys County Council, Ceredigion County Council, Welsh Government, Dyfed Powys Police and partner agencies.

Guy Evans
Executive Director

Achievements and Performance

2022/2023 has been another extremely busy year for Cymdeithas Gofal The Care Society. This is evidenced by...

- ♦ assisting 155 people into temporary emergency accommodation and increasing provision from 49 to 55 units
- ♦ 61% moved from Temporary Accommodation into more appropriate secure accommodation.
- ♦ 100% of all Temporary and Night Shelter residents registered with a doctors and dentist surgery.
- ♦ 103 referrals to The Social Lettings Agency,
- ♦ the provision of 97 units of accommodation
- ♦ 107 live Bonds
- ♦ 117 people assisted with Benefit enquiries
- ♦ 365 assisted with management of rent
- ♦ 312 assisted with property maintenance related queries

The Care Society provided tenancy support to:

- 147 single people
- 96 families
- 43 people with disabilities
- 7 young people leaving care
- 145 individuals in temporary accommodation

Bespoke Packages of Care service providing support for 76 individuals throughout Ceredigion and North Pembrokeshire.

Assisted people to claim £64,483 (through the Vicars Relief Fund, Discretionary Housing Benefits etc).

304 shop mobility scooter hires and 124 wheelchair hires.

Management of 3 Springboard Flats, 1 Trainer flat for Children Looked After and 1 Emergency Accommodation Flat. The flats are located in Brecon, Llandrindod Wells, Newtown and Welshpool in Powys.



Board Members

- | | |
|------------------------|--------------------------------------|
| Anthony Hearn (Chair) | Peter Saunders |
| John Rees (Vice Chair) | Stephen Cripps |
| Catherine Shaw | Ceri Williams (resigned 24/03/2023) |
| Margaret Gallagher | Annette Jones (appointed 26/07/2022) |

Chair’s Report

I am delighted to provide an update on another eventful year, which concluded with a surplus. Despite investing in our staff and business, we have maintained a high level of service for our customers. Encouragingly, fuel prices have started to stabilise after a period of significant increases, and the availability of certain materials has improved, although we acknowledge that we are not yet back to pre-Covid-19 levels. I commend the hard work of our dedicated colleagues, who have enabled us to train and develop more apprentices into skilled tradespeople. Our reputation and strong community roots have resulted in a majority of repeat orders from satisfied clients: something we take great pride in. The positive feedback and compliments from our clients across all trades make me immensely proud of our achievements during the past year.

Recognising longer lead times for materials, we have taken steps to enhance our stores module and integrate it with our IT system, which has proven highly effective. This integration will enhance our responsiveness and enable us to complete repair jobs more efficiently. We have also continued our installation of LoRaWAN sensors for existing clients and partnered with new clients to help them

monitor mould, condensation challenges, and the effectiveness of energy efficiency measures in their homes. We remain committed to exploring new technologies that can benefit our business and assist clients in improving their operations.

We have recently reviewed our colleague Terms and Conditions, aiming to retain our highly respected and skilled workforce while ensuring an attractive and safe working environment for current and potential employees who wish to join our forward-thinking organisation. Furthermore, we have invested in new vehicles and made cosmetic upgrades to our office. Our colleagues have actively engaged with local schools, providing education on green technologies and some of the services provided by EOM.

I am incredibly pleased with the accomplishments of EOM over the past year and extend my heartfelt gratitude to my fellow volunteer Board Members for their dedication, wisdom, and time in shaping EOM into the successful business it is today. As we strive for further growth, we remain committed to investing in both our business and the local community.

Richard Adrian Knight
Chair

Compliments

- “the workman was friendly, tidy and has done a good job”
- “the contractor was excellent, very friendly and explained what he had done. I am disabled and would be confident letting him in my home in future”
- “thank you to your electrician, he was so good with the tenant given his confusion and communication barrier and even hung around to accompany us in the dark!”
- “I can not recommend them highly enough to reflect their work fairly. Wholeheartedly and without equivocation, I recommend EOM as a PV installer to note”



Training

Employee training in 2022/23 was a priority and various training courses were attended including:

- Tower Scaffolding Training
- Plastering Basics
- Risk Assessment Awareness
- Mould Treatment and Awareness
- Lone Worker Training
- Asbestos Management

Financial Achievements

2022/23 was a successful year again for EOM with a trading profit before tax and gift aid payments of £290K. Some of the profit will be retained for re-investment into EOM with the rest being gift aided back to the housing association.

In December, Rob Huxley and Mike Mills attended Kerry Primary School to give a presentation on renewable energies and the work EOM are doing in this field.

EOM gave a £10 voucher to the pupil who was the winner of the best poster depicting renewals.



Board Members

- | | |
|------------------------|-------------------|
| Richard Knight (Chair) | Cadwgan Thomas |
| Wyn Jones | Fleur Whittingham |
| Anthony Lowry | David Hall |

Chair’s Report

I am pleased to be able to report that the demand for the services provided by Care & Repair in Powys has continued to increase even though we are working in an environment where resources are under pressure in health-related services, and costs have been increasing across all areas. Many clients have been successfully helped to access more services and benefits by our very dedicated Caseworkers, whilst our Technical Officers ensured that many of the physical adaptations were undertaken to meet the needs of our frail and vulnerable clients.

We have successfully appointed to the vacant posts within the team during the year which were the Senior Technical Officer role, an Administration Officer, part of whose role will be to develop an information and marketing strategy, and, more recently, the Agency Manager role. In the absence of the Agency Manager, support to the team and maintaining and moving the service forward has been provided by Llŷr Edwards whose day job is Group Director of Commercial Services in Barcud. Llŷr has done an excellent job in the circumstances and, on behalf of the Board, I would like to thank him for all his hard work during this period.

Unfortunately, the funding came to an end for the 70+ scheme – which provided energy efficiency advice in a period of increasing pressure on energy and running costs for all our clients, especially those that live in poorly insulated older properties. We will be seeking to look for alternative sources of funding during the summer, as we are keen to look to have a similar scheme running over the winter months, and will look to recruit to that new role once the funding is confirmed.

The new financial year saw the team grow from two to three Minor Adaptations Officers - these are the colleagues that fit the handrails, grab rails and make those subtle little differences that make a big difference to people’s lives. As trusted assessors, these Officers can gauge what would work best and where; and fit that all-important handrail or other fixed aid. These little measures can give someone the confidence to leave

their home safely; or walk to the end of the garden for some daily exercise that can give them that quality time; or just sit outside and watch people passing by, and make contact with others outside of their own four walls.

Our Minor Adaptations Team were given “SafeContractor” accreditation, which is a recognised Health and Safety certification which provides reassurances that the work undertaken by our small, skilled in-house team will be undertaken with the clients’ safety being of the utmost priority. This year, the number of clients provided with minor adaptations (those costing under £1000) increased by about 5% from last year to 1,452. The number of medium or large adaptations completed was 202 which was similar to the 2021/22 figure.

We achieved a 100% level of satisfaction from those who provided feedback with the work that we competed, and every client that responded to our questionnaire last year stated that their confidence had been increased after receiving our services, and many had also recommended us to their friends and family.

The Mamwlad project which operates within the farming community across Powys is developing from strength to strength, with more and more clients in our rural communities also gaining access to the vital services that we provide. Mrs P, one of our Mamwlad clients said “I didn’t know what I was missing, it is brilliant; and I can have a shower now when I want”. This was a result of a Healthy Home assessment by one of our Mamwlad caseworkers that led to an Occupational Therapist bathing assessment and a new level access shower.

In total, the cost of minor adaptation works provided was £1,026,322 which is a phenomenal amount delivered by what is only a small team across the vast geography of Powys.

Our friendly Managing Better Caseworker has worked with partners at Welsh Government, RNIB Cymru and Action on Hearing Loss Cymru to assist clients by furnishing them with information on hearing loss, falls prevention, undertaking home

safety checks, giving benefits assistance and other support services. This is a valued service available across the whole of Powys and helps to keep clients independent.

The Casework service for CRP Care and Repair in Powys has again been assessed against the Advice Quality Standard (AQS). AQS is a national quality standard for advice services designed to ensure a service is well run and assures the quality of the information and advice services it provides. This is once again excellent news, and clients can be assured that the advice given is correct and un-biased. The casework services staff have managed to obtain benefits worth £205,289 during the year, which will have no doubt been much welcomed by their service users struggling with the ongoing cost of living crisis.

We are grateful to Welsh Government and Powys County Council for their continued support, as without their funding streams,

we would not be able to assist so many frail, elderly and disabled residents in Powys. We are also grateful for all the donations we have received, which tops up these grant levels and ensures that we are able to provide a truly professional and responsive service.

Care and Repair Powys enjoys an excellent reputation both with its various stakeholders and, perhaps most importantly, with the people who need our services. This is a result of a lot of hard work and dedication by all our staff who should be proud of their efforts. As Chair of Care and Repair in Powys I wish to thank every member of staff for their hard work during the last twelve months, and also each Board Member. Board Members give their time voluntarily to the agency, and their wisdom and knowledge is greatly appreciated.

Julie Metcalf
Chair

Achievements and Performance

2022/23 was a successful year financially for CRP, resulting in a surplus of £123K which will be added to reserves to ensure the agency is robust and viable.

During this period the agency achieved:

- 1,118 Helped 1,188 people across Powys
- 858 858 falls prevention measures installed
- 144 The managing better service helping clients over 50, assisted 144 people
- 45 45 clients helped to claim benefits, worth over £182,000
- 100% 100% satisfaction across all work completed



Board Members

- | | |
|-----------------------|----------------|
| Julie Metcalf (Chair) | Catherine Shaw |
| Paul Jays | Carina Roberts |
| Crispin Jones | Mark Rees |

Report of the Board of Management

The Board of Management present their report and the financial statements for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES

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

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

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

It is a body whose primary purpose is providing affordable rented housing to people in housing need. Barcud has three subsidiaries; Care & Repair in Powys, which provides support and assistance to elderly or disabled owner-occupiers, enabling them to continue to live in their own homes; EOM, a private limited company which provides a repairs and maintenance service to Barcud's properties in Powys as well as a commercial service in the area; lastly, The Care Society 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 tenants

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

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

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

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. Compliance is monitored through meetings of the Health & Safety Forum, Audit and Risk Committee, Projects and Performance Committee and the Board.

BOARD MEMBERS AND DIRECTORS

The Board members and Leadership Team who served during the year and to the present date are set out on pages 6 to 8. The Board is made up of 11 members and 3 Co Optees, who were appointed in 2022 to complement existing skills and experience.

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

The Directors are the Chief Executive

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

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

REMUNERATION

Policy

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

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

Pensions

The Directors are members of the 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 assurance framework, include:

Identifying and evaluating key risks

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

Control environment and internal controls

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

Information and reporting systems

Financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed, approved and monitored throughout the year by the Board. The Board and Committees regularly receive reports on key performance indicators to assess

progress towards the achievement of key business objectives, targets and outcomes.

Monitoring arrangements

Regular management reporting on control issues provides assurance to management and to the Board. It is supplemented by regular reviews by Internal Audit, which provides independent assurance to the Board via its Audit and Risk 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. If any issues arise, these are reported to the Board.

INTERNAL FINANCIAL CONTROLS

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

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

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

Key elements in ensuring a secure environment include:

- the presence of formal policies and procedures
- clear delegation of authority
- a suitable level of experienced and suitably qualified staff
- proper performance appraisal
- the preparation and monitoring of forecasts and budgets including stress testing and identifying mitigations
- suitable authorisation of major commitments which might put the Group at risk

- a robust and independent internal audit service, reporting appropriately to members, with suitable follow up mechanisms in place.

The Audit and Risk Committee has reviewed the effectiveness of the system of internal control in the Group for the year ended 31 March 2023. No weaknesses were found in internal financial controls, which resulted in material losses, contingencies, or uncertainties, which require disclosure in the financial statements or in the auditors’ report on the financial statements, and the Board is not aware of any such weaknesses from 1 April 2022 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 33-36, confirm the following:

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

Approved on the 27th July 2023 and signed on its behalf by:



Alison Thorne
Chair of the Board of Management



Governance

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

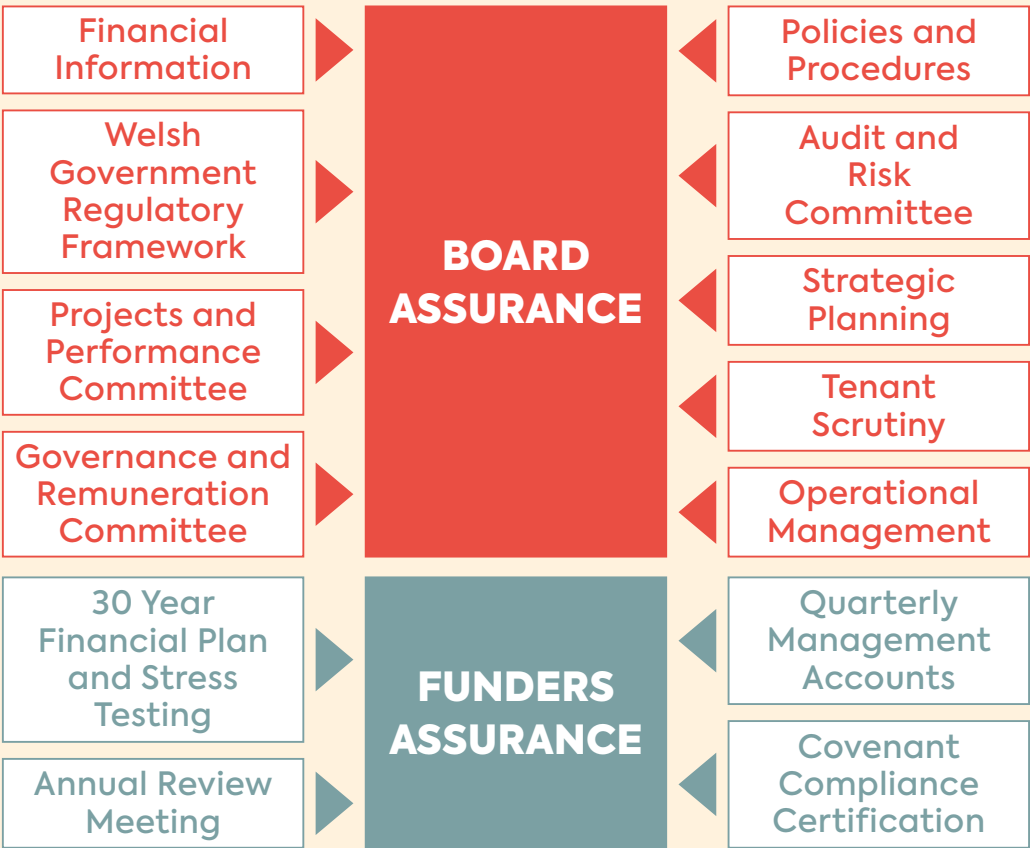
The Association meets the regulatory standards and will receive routine regulatory oversight.

Financial Viability – Compliant

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

Post governance review in 2022/23, there was a change to the committee structure in order to improve meeting effectiveness. For 2023/24 the committee structure consists of:

- Governance and Remuneration Committee
- Audit and Risk Committee
- Projects and Performance Committee



Barcud Board Members



Alison Thorne
Chair of the Barcud Board.

Alison brings valuable knowledge as a very experienced Board member and has an exceptional track record in leadership roles. Her diverse perspective and solid strategic thinking make her an ideal Chair to lead Barcud’s Board as the Group continues to grow and adapt in a rapidly changing industry. Chair, Non-Executive Director, Trustee and Committee member, and founder of atconnect, a Business and People Development Company. Global corporate career in retail, holding executive Board roles at Mothercare, George at Asda and Otto UK. Executive leadership roles at Kingfisher and Storehouse, specialising in Operations, Buying, Merchandising and Sourcing. Partner in a boutique search firm before setting up ‘atconnect’, a business that supports companies to deliver successful teams through executive search and mentoring working in Media, Digital, Retail, Housing and Health Care sectors. Previously a Non-Executive Director for Thought Provoking Consulting, a Trustee at Tropical Forest Trust (sustainable forest management) and a Trustee and then Chair at Chwarae Teg (Wales’s leading equality charity). Board member for Sport Wales, and Governor for Cardiff Metropolitan University. Alison builds on her equality work as the Wales Lead for Women on Boards and is an Independent Panel Member for Public Appointments for the Welsh Government.

Board Attendance: Appointed April 2023



Dafydd Lewis
Co-optee, Member of the Projects and Performance Committee.

Originally from Tumble in the Gwendraeth Valley has lived over 30 years in Dolgellau. Retired from Local Government as a Corporate Director with Gwynedd Council having strategic responsibilities for a range of services including Housing and Adult Social Care as well as lead responsibilities for Health & Well-being and Community Safety Partnerships. Since retiring has been a member of Group Cynefin Board including being the Board Chair, volunteers with CAB and is Secretary of Clwb Rygbi Dolgellau. Is a fluent Welsh speaker.

Board Attendance: ☐ ☐ ☐ ☐ ☒ ☒ ☒ ☒ ☒ Appointed November 2022



Kaye Law-Fox
Senior Independent Director (SID) Co-optee, Chair of Governance and Remuneration Committee.

20 years public sector executive and senior management experience delivering complex national and regional change and strategic governance programmes. Experienced Chair, Vice Chair and Board Member of registered providers of social housing since 2003, and subsidiary commercial asset management and development companies. Kaye has degrees in management systems, health management and rural resource management and is a qualified project, programme, and portfolio manager.

Board Attendance: ☐ ☐ ☐ ☐ ☒ ☒ ☒ ☒ ☒ ☒ Appointed November 2022



Richard Woolley

Co-optee, Member of the Projects and Performance Committee.

Over 20 years' experience in the housing sector in senior management positions in both Large Scale Voluntary Transfers (LSVTs) and traditional housing associations. He has a further 7 years in NHS organisations prior to that. In 2019 Richard was appointed as Chief Executive of Connexus following the merger in 2017 of Shropshire Housing and Herefordshire Housing Groups. Connexus manages 10,000 properties, is a major employer across the two counties of Shropshire and Herefordshire and has a development programme of 250 homes per year.

Board Attendance:  Appointed November 2022



Steve Cripps

Member of the Audit and Risk Committee, Member of the Care Society Board.

Retired local government Chief Officer (Strategic Director) with about 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.

Board Attendance:         



Mererid Boswell

Vice Chair Audit and Risk Committee, Member of the Governance and Remuneration Committee.

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 and English speaker and a Spanish learner.

Board Attendance:



Enid Roberts

Chair of the Projects and Performance Committee, Governance and Remuneration Committee Member, Member of the Audit and Risk 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.

Board Attendance:



Siobhan Johnson

Member of the Governance and Remuneration Committee, Member of the Audit and Risk 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. Long standing chartered member of CIPD with a MA Hons focused in Politics from The University of Glasgow.

Board Attendance:         



Cadwgan Thomas

Member of the EOM Board.

Head of Development at Newydd Housing Association. Chartered Quantity Surveyor. 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.

Board Attendance:



Wyn Jones

EOM Board Member, Vice Chair of Project and Performance Committee, Member of the Governance and Remuneration Committee.

A Fellow of the Royal Institution of Chartered Surveyors (FRICS). Member of the Chartered Institute of Arbitrators (MCIArb). 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.

Board Attendance:         



David Hall

Member of the EOM Board, Member of the Audit and Risk Committee.

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. Joined the Board Nov 2020.

Board Attendance:



John Rees

Chair of the Audit and Risk Committee, Vice Chair of the Care Society Board, Member of the Governance and Remuneration Committee.

A Chartered Certified Accountant. 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. Active Welsh learner.

Board Attendance:



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. Welsh learner.

Board Attendance: ✓✗✓✓✓✗✓✓✓



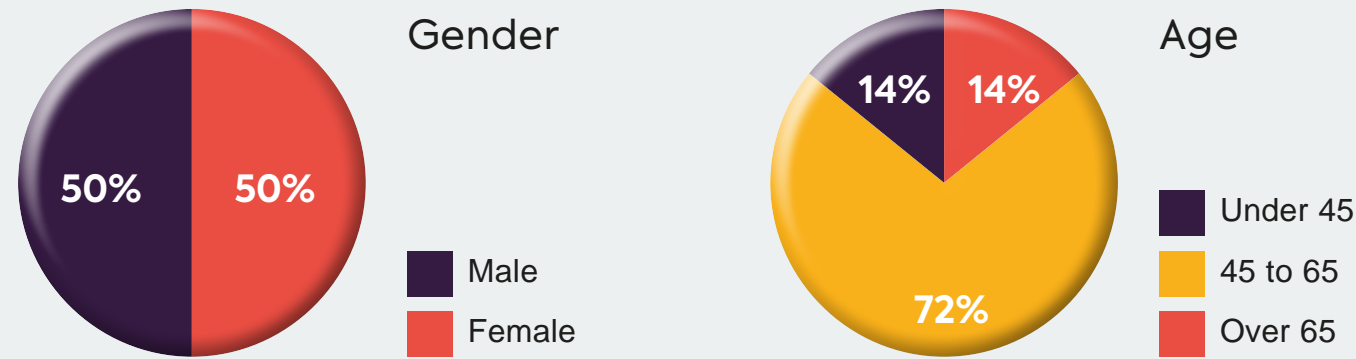
Carina Roberts

Member of the Care and Repair Powys Board, Member of the Projects and Performance Committee.

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

Board Attendance: ✓✓✗✓✓✓✓✓✓✓

Board Diversity



Resignations

John Jenkins - resigned 04/01/2023

John Wilkinson - resigned 16/11/2022

Value for Money

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



Value for Money

continued

We will embed a culture of VfM in Barcud by:

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

Social Value

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

Actions we are going to take to maximise our social value are:

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

Community Housing Cymru Value for Money Indicators

Value for Money - Two Year summary for the year ended 31 March	Barcud		Sector Average 2022
	2023	2022	
Total operating cost per social housing unit	£2,850	£2,654	£3,864
Management costs per social housing unit	£1,129	£1,146	£1,471
Reactive costs per social housing unit	£1,474	£1,287	£1,260
Major repairs & components per social housing unit (inc depreciation & impairment)	£1,789	£1,538	£1,324
Bad debt costs per social housing unit	£7	£65	£24
Weighted average cost of capital	3.34%	5.29%	5.09%
Gross arrears/social housing turnover	3.4%	2.5%	4.6%
Rent per social housing unit	£5,902	£5,692	£6,216
Rental void loss per social housing unit	£73	£64	£91

Income and Expenditure

MONEY IN 2022/23		£'000
Rent and Service Charges		23,153,694
Supporting People Grant		259,671
Welsh Government Dowry		1,600,000
Social Housing Grant		27,411,887
Other Grants		222,591
Sale of Housing Properties		480,000
Feed in Tariff		48,185
Other Income		265,039
Interest Received		219,449
Total		53,660,516

MONEY OUT 2022/23		£'000
Management and Service Costs		5,985,010
Day to Day Repairs		6,114,432
Improving Homes		7,420,948
Purchase Existing Properties		2,534,706
New Homes		17,991,249
Interest Payable on Loans		3,482,590
Other Costs		2,547,976
Total		46,076,911

Financial Review

Barcud reported a surplus of £4.2m for the year ended 31 March 2023 on a total turnover of £27.8m. An operating margin of 26.4% 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		2023	2022
Statement of Comprehensive Income		£'000	£'000
Total turnover		27,818	27,831
Income from Social Housing lettings		26,086	24,771
Depreciation		5,140	4,839
Amortisation		1,073	1,066
Interest payable		3,483	3,482
Operating surplus		7,342	7,416
Statement of Financial Position		£'000	£'000
Fixed assets, at depreciated costs		244,273	220,913
Social Housing and other grants		97,334	99,150
Net current assets		2,942	8,631
Provision for pension liability		-	4,451
Long term loans		103,620	94,380
Total reserves		32,789	23,799

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 2023, Barcud had 90% of its loan liabilities on a fixed interest rate. Another risk is the loss of income because of the cost of living crisis, differential inflation and changing of the rent setting policy. Loss of the Welsh Government £1.6m gap funding is also a risk, although it is guaranteed on a rolling two year basis. There are internal controls in place such as regular stress testing and mitigation work on the business plan and 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 2023 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 2023 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 9, 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: 27 July 2023

Group and Association Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	Group		Association	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
TURNOVER	2a	30,765	30,650	27,818	27,831
Less: Operating costs	2a	(22,439)	(21,011)	(20,103)	(18,669)
: Cost of Sales		(373)	(1,746)	(373)	(1,746)
Surplus on disposal of housing properties	3	-	-	-	-
OPERATING SURPLUS	2a	7,953	7,893	7,342	7,416
Gift Aid		-	-	147	-
Interest receivable		223	2	220	2
Interest and financing costs	7	(3,483)	(3,482)	(3,483)	(3,482)
Refinancing	24	-	(7,529)	-	(7,529)
SURPLUS/(DEFICIT) FOR THE YEAR	4	4,693	(3,116)	4,226	(3,593)
Actuarial gains/(losses) on pension scheme	21	4,764	1,196	4,764	1,196
Property revaluation	9	30	550	-	429
TOTAL COMPREHENSIVE (LOSS)/GAINS FOR THE YEAR		9,487	(1,370)	8,990	(1,968)

Group and Association Statement of Financial Position

For the year ended 31 March 2023

	Note	Group		Association	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible Assets	8	669	670	609	581
Housing properties - Gross cost less depreciation	9	235,931	212,594	235,931	212,594
Other property, plant and equipment	10	6,969	6,898	5,966	5,956
Investment property		265	240	-	-
Investments	11	756	771	1,767	1,782
		<u>244,590</u>	<u>221,173</u>	<u>244,273</u>	<u>220,913</u>
CURRENT ASSETS					
Inventories	12	332	556	107	428
Debtors	13	16,924	17,119	16,429	16,528
Cash and cash equivalents		25,329	8,009	23,448	6,800
		<u>42,586</u>	<u>25,684</u>	<u>39,985</u>	<u>23,756</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(37,231)</u>	<u>(15,045)</u>	<u>(37,044)</u>	<u>(15,125)</u>
NET CURRENT ASSETS		<u>5,355</u>	<u>10,639</u>	<u>2,941</u>	<u>8,631</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		249,945	231,812	247,214	229,544
Pension asset/(liability)	21	-	(4,451)	-	(4,451)
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	<u>(214,700)</u>	<u>(201,603)</u>	<u>(214,426)</u>	<u>(201,294)</u>
NET ASSETS		<u><u>35,245</u></u>	<u><u>25,758</u></u>	<u><u>32,788</u></u>	<u><u>23,799</u></u>
CAPITAL AND RESERVES					
Non-equity share capital	16	-	-	-	-
Revenue Reserves		<u>35,245</u>	<u>25,758</u>	<u>32,788</u>	<u>23,799</u>
		<u><u>35,245</u></u>	<u><u>25,758</u></u>	<u><u>32,788</u></u>	<u><u>23,799</u></u>

The financial statements on pages 43 to 72 were approved by the Board on 27th July 2023 and were signed on its behalf by:

Dafydd Lewis
Interim 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 2023

Group Statement of Changes in Reserves		Revenue reserves
		£'000
At 1 April 2021		27,128
Surplus/(loss) for the year		(3,116)
Actuarial surplus in respect of pension schemes		1,196
Surplus on the revaluations of Freehold Property		550
At 31 March 2022		<u>25,758</u>
At 1 April 2022		25,758
Surplus/(loss) for the year		4,693
Actuarial loss in respect of pension schemes		4,764
Surplus on the revaluations of Freehold Property		30
At 31 March 2023		<u><u>35,245</u></u>

Association Statement of Changes in Reserves		Revenue reserves
		£'000
At 1 April 2021		25,767
Surplus/(loss) for the year		(3,593)
Actuarial surplus in respect of pension schemes		1,196
Surplus on the revaluations of Freehold Property		429
At 31 March 2022		<u>23,799</u>
At 1 April 2022		23,798
Surplus for the year		4,226
Actuarial gain/(loss) in respect of pension schemes		4,764
At 31 March 2023		<u><u>32,788</u></u>

Group Statement of Cash Flows

For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Net cash generated from operating activities	A	11,604	12,250
Cashflows from investing activities			
Purchase of property, plant and equipment		(28,928)	(20,016)
Proceeds from sale of property, plant and equipment		505	1,051
Grants received		27,621	6,392
Interest received		223	3
Property revaluation		(30)	540
Net cashflow from investing activities		10,905	(13,112)
Cash flows from financing activities			
Finance costs paid		(2,898)	(2,957)
New loans		10,000	41,932
Repayment of borrowings		(776)	(29,509)
Finance lease interest elements		-	(1)
Refinancing costs		-	(7,529)
Net cash flow from financing activities		6,326	1,937
Net increase in cash and cash equivalents		17,231	1,075
Cash and cash equivalents at the beginning of the year		8,009	6,934
Cash and cash equivalents at the end of the year		25,329	8,009
A Net cash generated from operating activities			
Operating surplus for the year		7,997	8,025
Adjustment for non cash items:			
Depreciation of fixed assets		5,420	5,052
Amortisation of government grants		(1,073)	(1,066)
Proceeds from sale PPE		(55)	(47)
Decrease/(increase) in inventories		224	(389)
Decrease/(increase) in debtors		(1,596)	(222)
Increase/(decrease) in creditors		599	896
Net cash generated by operating activities		11,604	12,250

Group Statement of Cash Flows

For the year ended 31 March 2023

	2023 £'000	2022 £'000
Free Cashflow for the Year		
Net cash generated from operating activities	11,604	12,249
Interest paid	(2,898)	(2,957)
Interest received	223	2
Adjustment for reinvestment in existing properties		
Component replacements	(7,102)	(6,009)
Purchase of other replacement fixed assets	(319)	(254)
Component replacement grant received	-	-
Free cash generated before loan repayments	1,507	3,031
Loans repaid (excluding revolving credit and overdrafts)	(776)	(29,059)
Free cash generated after loan repayments	731	(26,028)

Notes to The Financial Statements

For the year ended 31 March 2023

1. ACCOUNTING POLICIES

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

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

(a) Accounting convention

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

(b) Basis of consolidation

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

(c) Going concern

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

(d) Turnover

Turnover represents rental and other income receivable (net of losses from voids), income from property sales, and revenue grants receivable. It also includes grants reimbursing specific expenditure on the improvement programme. Rental income is recognised from the point of properties under development reaching practical completion or otherwise becoming available

for letting, net of any voids.

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

(e) Gift Aid

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

(f) Property, plant and equipment - housing properties

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

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

Individual items purchased over £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. Tŷ Canol is recognised as investment property within Barcud Group.

(g) Depreciation

i. Freehold land is not depreciated.

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

iii. Housing properties

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

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

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

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

(h) Inventories

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

(i) Taxation

Value Added Tax (VAT)

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

Barcud has a VAT Shelter in place, for the properties transferred to Tai Ceredigion from Ceredigion County Council approved by HMRC. The VAT Shelter has an unlimited lifespan for the first cycle works to be completed on the properties included in the transfer. Under the transfer agreement Ceredigion County Council transferred the properties to Tai Ceredigion together with an obligation to undertake the WHQS works at the Council's expense. The price paid for the properties was £71,524,223 (excluding VAT); this price reflects the tenanted market value of the stock which is nil and the estimated value of the works of £71,524,223 (excluding VAT).

Corporate Tax

Barcud and its subsidiaries, Care & Repair in Powys and Cymdeithas

Gofal (The Care Society) are not generally liable for Corporation Tax due to their charitable status. However if the non-charitable activities threshold for Corporation Tax is reached, Corporation Tax will become liable. EOM Limited does not have charitable status and so the following is required: Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(j) Pension Costs

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

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

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

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

New Employees

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

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

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining

within liabilities in the consolidated Statement of Financial position related to this asset is derecognised as a liability and recognised as revenue in surplus or deficit in the consolidated Statement of Comprehensive Income.

(q) Interest Payable

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

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

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

(r) Finance leased assets

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

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

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

(s) Service charges, sinking funds and service costs

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

(t) Financial Instruments

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

Financial assets carried at amortised cost

- Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents.
- Financial assets are initially recognised at fair value plus directly attributable transaction costs.
- After initial recognition, they are measured at amortised cost using the effective interest method.
- Discounting is omitted where the effect of discounting is immaterial.
- If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective

interest rate. The carrying amount of the asset is reduced accordingly.

- A financial asset is de-recognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.
- If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

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

(u) Cash and cash equivalents

Cash and cash equivalents are defined as:

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

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

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

2. SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Significant management judgements

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

Going concern

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

Capitalisation of property development costs

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

Key sources of estimation uncertainty

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts

of assets and liabilities within the next financial year are addressed below.

Provisions

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

Defined benefit pension scheme

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

Components of housing properties and useful lives

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

Impairment

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

2a TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

Group	2023 Turnover £'000	2023 Operating Costs £'000	2023 Cost of Sales £'000	2023 Operating Surplus £'000	2022 Turnover £'000	2022 Operating Costs £'000	2022 Cost of Sales £'000	2022 Operating Surplus £'000
Social housing lettings (Note 2b)	26,086	(19,720)	-	6,366	24,771	(18,430)	-	6,341
Other social housing activities								
Garages	265	-	-	265	264	-	-	264
Other grants	223	-	-	223	252	-	-	252
Donations	10	-	-	10	8	-	-	8
Promotion of social inclusion	2,673	(2,384)	-	289	2,278	(2,183)	-	95
Trading activities	106	(74)	-	32	93	(62)	-	31
Other	358	-	-	358	241	(5)	-	236
Other revenue grants	55	-	-	55	24	-	-	24
Non-social housing activities								
Property sales	480	-	(373)	107	2,075		(1,746)	329
Market rented properties	62	(17)	-	45	63	(14)	-	49
EOM	361	(152)	-	209	545	(263)	-	282
Commercial income	86	(92)	-	(6)	36	(54)	-	(18)
	30,765	(22,439)	(373)	7,953	30,650	(21,011)	(1,746)	7,893

Association	2023 Turnover £'000	2023 Operating Costs £'000	2023 Cost of Sales £'000	2023 Operating Surplus £'000	2022 Turnover £'000	2022 Operating Costs £'000	2022 Cost of Sales £'000	2022 Operating Surplus £'000
Social housing lettings (Note 2b)	26,086	(19,994)	-	6,092	24,771	(18,596)		6,175
Other social housing activities								
Garages	265	-	-	265	264	-		264
Recharges to other group companies	-	-	-	-	8	(5)		3
Other revenue grants	223	-	-	223	252	-		252
Other	616	-	-	616	362	-		362
Non-social housing activities								
Property sales	480	-	(373)	107	2,075		(1,746)	329
Market rented property	62	(17)		45	63	(14)		49
Other	86	(91)	-	(6)	36	(54)		(18)
	27,818	(20,103)	(373)	7,432	27,831	(19,669)	(1,746)	7,416

2b PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
INCOME				
Rent receivable	21,836	20,665	21,836	20,665
Service charge income	1,318	1,207	1,318	1,207
Grant amortisation	1,073	1,066	1,073	1,066
Grants taken to income	1,600	1,600	1,600	1,600
Supporting People	260	233	260	233
Turnover from social housing lettings	26,086	24,771	26,086	24,771
COST				
Management costs	(4,686)	(4,667)	(4,960)	(4,833)
Service charge costs	(1,025)	(898)	(1,025)	(898)
Routine maintenance	(5,495)	(5,025)	(5,495)	(5,025)
Planned maintenance	(619)	(216)	(619)	(216)
Bad debts	(31)	(264)	(31)	(264)
Depreciation	(5,316)	(4,972)	(5,316)	(4,972)
Other costs	(2,548)	(2,389)	(2,548)	(2,389)
Operating costs on social housing lettings	(19,994)	(18,430)	(19,994)	(18,596)
Operating surplus on social housing lettings	6,366	6,341	6,092	6,175
Rent loss due to voids (memorandum note)	309	261	309	261

3. SURPLUS ON DISPOSAL OF HOUSING PROPERTIES

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Proceeds of sale of properties	-	-	-	-
Disposal expenses	-	-	-	-
Surplus on disposals	-	-	-	-

4. SURPLUS FOR THE YEAR

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
The surplus for the year is stated after charging/(crediting):				
Depreciation	5,391	4,892	5,316	4,839
Amortisation of intangible assets	205	163	176	133
Amortisation of grant	(1,073)	(1,066)	(1,072)	(1,066)
External auditor's remuneration				
- in their capacity as auditors	39	39	28	24
- other	3	3	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%.

EOM will make a Gift Aid payment of £140k before the 31st December 2023, reducing the tax liability to Nil.

6a. EMPLOYEES

	Group 2023	Group 2022	Association 2023	Association 2022
Average monthly number of employees (including Executive Directors) expressed as full time equivalents				
Administration	26	26	16	16
Operational services				
- Office based	120	126	100	107
- Scheme managers and cleaners	24	16	24	16
- Community repairs team	81	80	54	54
- Charitable activities	41	37	-	-
	292	285	194	193

6a. EMPLOYEES (continued)

	Group	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Staff costs:				
Wages and salaries	8,289	8,159	5,827	5,707
Redundancy and settlement costs	-	30	-	30
Social security costs	797	751	579	545
Pension costs	638	606	550	520
Total	9,724	9,546	6,956	6,802

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

	Group	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Salary band				
£50,000 - £59,999	6	6	6	6
£60,000 - £69,999	3	4	2	3
£70,000 - £79,999	3	3	3	3
£80,000 - £89,999	2	1	2	1
£90,000 - £99,999	-	1	-	1
£100,000 - £109,999	-	1	-	1
£110,000 - £119,999	1	4	1	4
£120,000 - £129,999	3	-	3	-
£130,000 - £139,999	-	-	-	-
£140,000 - £149,999	-	-	-	-
£150,000 - £159,999	1	1	-	1
£160,000 - £169,999	1	-	1	-

6b. KEY MANAGEMENT PERSONNEL REMUNERATION

	Group	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Wages and Salaries	1,184	1,429	1,184	1,354
Redundancy and Settlement Costs	-	30	-	30
Social Security Costs	148	166	148	159
Other Pension Costs	162	165	162	160
Other Benefits	2	3	2	3
Board Members				
Wages and Salaries	5	1	5	1
Social Security Costs	-	-	-	-
Other Pension Costs	-	-	-	-
Expenses	4	5	4	5
	1,505	1,799	1,505	1,712
Remuneration of the Group Chief Executive excluding pension contributions and Employers NI.	125	121	125	121

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	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Interest on loans				
- repayable by instalments in				
Less than 1 year	-	401	-	401
1-5 years	157	123	157	123
More than 5 years	3,197	2,862	3,197	2,862
Finance Leases	1	5	1	5
Amortisation of deferred finance costs	15	-	15	-
Pension finance costs (see note 21)	120	108	120	108
Borrowing costs capitalised	(13)	(21)	(13)	(21)
Other	6	4	6	4
	3,483	3,482	3,483	3,482

8. INTANGIBLE FIXED ASSETS – COMPUTER SOFTWARE

	Group £'000	Association £'000
COST		
At 1 April 2022	1,336	1,187
Additions	204	204
Disposals	-	-
At 31 March 2023	1,540	1,391
DEPRECIATION		
At 1 April 2022	666	606
Charge in year	205	176
Disposals	-	-
At 31 March 2023	871	782
NET BOOK VALUE		
At 31 March 2023	669	609
At 31 March 2022	670	581

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

	Housing Properties Completed £'000	Housing Properties Under Construction £'000	Completed Shared Ownership £'000	Total £'000
COST				
At 1 April 2022	237,074	14,161	26	251,261
Additions	10,253	17,991	-	28,244
Disposals	(297)	-	-	(297)
Transfer to completed	11,935	(11,935)	-	-
Transfer to stock	(241)	-	-	(241)
At 31 March 2023	258,724	20,217	26	278,967
DEPRECIATION				
At 1 April 2022	38,661	-	6	38,667
Charge in year	4,770	-	-	4,770
Disposals	(231)	-	-	(231)
Transfer to held for sale	(171)	-	-	(171)
At 31 March 2023	43,029	-	6	43,035
NET BOOK VALUE				
At 31 March 2023	215,695	20,217	20	235,932
At 31 March 2022	198,413	14,161	20	212,594

Additions to completed properties held for letting

	2023 £'000	2022 £'000
Replacement of components	7,102	6,009
Purchase of existing properties	2,535	953
Developments	17,991	11,687
Improvements	319	254
	27,947	18,903
Charged to Statement of Comprehensive Income	6,114	5,240
Total expenditure on completed properties	34,061	24,143

10. OTHER PROPERTY, PLANT AND EQUIPMENT (GROUP)

	Freehold properties	Leasehold properties	Commercial properties	Market rented properties	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
COST						
At 1 April 2022	866	427	4,606	1,128	2,487	9,516
Additions	10	-	72	-	399	481
Disposal	-	-	-	-	(210)	(310)
Grant Subsidy	-	-	(34)	-	-	(34)
Revaluation	5	-	-	-	-	5
At 31 March 2023	884	427	4,643	1,128	2,675	9,757
DEPRECIATION						
At 1 April 2022	15	131	509	-	1,740	2,395
Charge in year	17	20	45	-	290	372
Disposals	-	-	-	-	(203)	(203)
Revaluation	-	-	-	-	-	-
At 31 March 2023						
IMPAIRMENT						
At 1 April 2022	-	-	223	-	-	223
Transfer	-	-	-	-	-	-
At 31 March 2023	-	-	223	-	-	223
NET BOOK VALUE						
At 31 March 2023	852	276	3,866	1,128	848	6,970
At 31 March 2022	853	296	3,874	1,128	747	6,898

10. OTHER PROPERTY, PLANT AND EQUIPMENT (ASSOCIATION)

	Market Rented	Leasehold properties	Commercial properties	Other	Total
	£'000	£'000	£'000	£'000	£'000
COST					
At 1 April 2022	1,128	427	4,606	2,075	8,235
Additions	-	-	72	277	349
Disposals	-	-	-	(155)	(155)
Grant subsidy	-	-	(34)		(34)
At 31 March 2023	1,128	427	4,643	2,197	8,395
DEPRECIATION					
At 1 April 2022	-	131	509	1,418	2,058
Charge in year	-	20	45	231	296
Disposals	-	-	-	(148)	(148)
At 31 March 2023	-	151	554	1,501	2,206
IMPAIRMENT					
At 1 April 2022	-	-	223	-	223
Charge in year	-	-	-	-	-
At 31 March 2023	-	-	223	-	223
NET BOOK VALUE					
At 31 March 2023	1,128	276	3,866	696	5,966
At 31 March 2022	1,128	296	3,873	657	5,954

11. FIXED ASSETS INVESTMENTS

Group	2023 £'000	2022 £'000
Homebuy loans		
At 1 April	603	603
Repayment of loans	15	-
At 31 March	588	603
Monies on deposit	168	168
	756	771

Association	2023 £'000	2022 £'000
Homebuy loans		
At 1 April	603	603
Repayment of loans	15	-
At 31 March	588	603
Monies on deposit	168	168
Investment in wholly owned subsidiary	1,011	1,011
	1,767	1,782

12. INVENTORIES

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Stock of materials	262	178	37	50
Properties for sale	70	378	70	378
	332	556	107	428

13. DEBTORS

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Gross rent and service charge arrears	960	645	832	591
Less: provision for bad debts	(349)	(347)	(337)	(336)
Net rent arrears	611	298	495	255
Trade debtors	114	201	-	-
Housing Finance Grant	199	199	199	199
Sinking fund	61	59	61	59
Prepayments and accrued income	3,050	1,339	2,785	992
	4,035	2,096	3,541	1,505
Amounts falling due after more than one year:				
Housing Finance Grant	3,511	3,711	3,511	3,711
VAT Shelter agreement	9,378	11,312	9,378	11,312
	12,889	15,023	12,889	15,023
	16,924	17,119	16,429	16,528

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Trade creditors	1,142	308	994	793
Rent charges received in advance	616	644	616	644
Social Housing Grant received in advance	28,093	7,204	28,093	7,204
Government grants deferred income	1,136	788	1,133	788
Housing Finance Grant	199	199	199	199
Deferred income on bonds	115	57	115	57
Recycled capital grants	68	138	68	138
Finance leases	24	24	-	1
Other taxation and social security	55	270	(2)	146
Loans	817	920	805	909
Accruals and other creditor	4,966	4,493	5,023	4,246
	37,231	15,045	37,044	15,125

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

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Loan due after more than one year	103,061	93,727	102,814	93,472
Government grants – deferred income	97,346	91,173	97,334	91,158
Housing Finance Grant	3,511	3,711	3,511	3,711
Deferred income on bonds	1,361	1,418	1,361	1,418
Recycled capital grants	-	105	-	105
Finance leases	43	157	28	118
VAT shelter agreement	9,378	11,312	9,378	11,312
	214,700	201,603	214,426	201,294

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 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
One year or less	817	919	805	908
More than one and less than two years	1,856	933	1,844	921
More than two and less than five years	1,980	3,496	1,940	3,457
In more than five years	99,225	89,298	99,030	89,094
	103,878	94,646	103,619	94,380

Deferred Income
- Government Grants

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
At 1 April	99,165	93,822	99,150	93,822
Grant receivable	28,018	6,408	28,481	6,393
Amortisation to Statement of Comprehensive Income	(1,073)	(1,065)	(1,073)	(1,065)
Transfer to Recycled Capital Grant	-	-	-	-
At 31 March	126,110	99,165	126,558	99,150
Due within one year	29,226	7,992	29,226	7,992
Due after one year	96,884	91,173	97,332	91,158

16. NON-EQUITY SHARE CAPITAL

	Group 2023	Group 2022	Association 2023	Association 2022
Shares at £1 each, allotted and issued				
As at 1 April 2022	322	307	322	307
Issued during the year	14	15	14	15
At 31 March 2023	336	322	336	322

17. CAPITAL COMMITMENTS

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Capital expenditure contracted but not provided for in the financial statements	13,264	6,256	13,264	6,256
Capital expenditure authorised by the Board but not contracted	15,154	19,512	15,154	19,512
The above commitments will be funded by existing bank facilities and Government grant.				

18. OTHER FINANCIAL COMMITMENTS (GROUP)

	2023		2022	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Other leases which expire:				
Within one year	37	23	43	31
Within one to five years	75	77	171	44
More than five years	36	-	86	-
	148	100	300	75

OTHER FINANCIAL COMMITMENTS (ASSOCIATION)

	2023		2022	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Other leases which expire:				
Within one year	-	-	-	8
Within one to five years	-	38	-	5
	-	38	-	13

19. HOUSING STOCK (GROUP AND ASSOCIATION)

	2023 Number	2022 Number
Number of units in management		
Housing accommodation for letting:		
General housing	3,815	3,713
Sheltered housing	334	358
Intermediate Rents	77	79
Market Rent	22	20
Total rented	4,248	4,170
Other units		
Right-to-buy leases	184	186
Shared ownership	3	3
Garages	634	656
To be sold	2	-
Homebuy	3	3
Freeholders with services	80	80

20. FINANCIAL INSTRUMENTS

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Financial Assets				
Measured at discounted amount receivable				
Rent arrears financing transactions (see note 13)	611	298	495	255
Financial Liabilities				
Measured at amortised cost				
Loans payable (see note 15)	817	920	805	909
Measured at undiscounted amount payable				
Trade and other creditors (see note 14)	1,142	308	994	793
	1,959	1,228	1,779	1,702

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 2022 the employer contributions were 42.4% of pensionable pay. The budgeted Current Service Cost for the year commencing 1 April 2023 is approximately 20.2% of pensionable salaries which is expected to result in an approximate service cost of £210,000.

Statement of Financial Position items as at 31 March	2023 £'000	2022 £'000
Present value of funded benefit obligations	12,827	19,372
Present value of unfunded benefit obligations	-	-
Total present value of benefit obligations	12,827	19,372
Fair value of plan assets	(14,048)	(14,921)
Unrecognised asset	1,221	-
Deficit/(surplus)	-	4,451
Components of pension cost for year to 31 March 2022		
Current Service Cost	407	466
Interest on Pension Liabilities	120	108
Administration Expenses	4	4
Past service cost (gain)	-	-
Effect of Curtailments or Settlements	-	-
Effect of asset ceiling	-	-
Total pension cost recognised in SOCI	531	578
Statement of other comprehensive income		
Re-measurements (liabilities & assets)	(5,985)	(1,196)
Effect of asset ceiling*	1,221	-
Total re-measurements included in the SOCI	(4,764)	(1,196)

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

21. PENSION SCHEME (CONTINUED)

Additional disclosure items	Assets at 31 March 2023		Assets at 31 March 2022	
	£'000	%	£'000	%
Equities	10,453	74.4	10,787	72.3
Government bonds	70	0.5	194	1.3
Other bonds	997	7.1	1,179	7.9
Property	1,896	13.5	1,955	13.1
Cash/liquidity	98	0.7	254	1.7
Other	534	3.8	552	3.7
Total	14,048		14,921	

Change in benefit obligation during year to 31 March 2023			
	2023 £'000	2022 £'000	
Benefit obligation at beginning of year	19,372	19,182	
Current service cost	407	466	(39.4% of pay plus interest)
Interest on pension liabilities	536	400	
Member contributions	81	84	
Past service cost	-	-	
Re-measurement (liabilities)			
Experience (gain)/loss	1,193	39	(9.3% of period end liabilities)
(Gain)/loss on assumptions	(7,784)	(383)	(60.7% of period end liabilities)
(Gain)/loss on demographic assumptions	(517)	(150)	(4.0% of period end liabilities)
Curtailments	-	-	
Settlements	-	-	
Benefits/transfers paid	(461)	(266)	
Business combinations	-	-	
Benefit obligation at end of year	<u>12,287</u>	<u>19,372</u>	
Change in plan assets during year to 31 March 2023			
Fair value of plan assets at beginning of year	14,921	13,881	
Expected return on plan assets	416	292	
Re-measurement (assets)	(1,123)	702	(8.0% period end assets)
Administration expenses	(4)	(4)	
Business combinations	-	-	
Settlements	-	-	
Employer contributions	218	232	
Member contributions	81	84	
Benefits/transfers paid	(461)	(266)	
Fair value of plan assets at end of year	<u>14,048</u>	<u>14,921</u>	
Actual Return on plan assets		(477)	(3.4% of period end assets)

21. PENSION SCHEME (CONTINUED)

Summary of actuarial assumptions used		
<i>Financial assumptions (Average duration profile of liabilities at end of accounting period)</i>		
	Beginning of period	End of period
- Rate of CPI inflation / CARE benefits	3.3%	2.7%
- Rate of increase in salaries	4.8%	4.2%
- Rate of increase in pensions	3.4%	2.8%
- Discount rate	2.8%	4.8%
Whole fund asset details		
	Value (£m)	Determined as at
- Last actuarial valuation	3,243	31 March 2022
- Start of period	3,243	31 January 2022
- End of period	3,167	28 February 2023

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 2022/23, rent received from tenant Board members was £5,589. 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 31/03/2023
Creditor invoices	£16,777	£289
Debtor invoices	£166,657	£90,747
Cymdeithas Gofal The Care Society		
	Invoiced	Outstanding 31/03/2023
Creditor invoices	£47,268	£7,402
Debtor invoices	£196,538	£48,604
EOM Limited		
	Invoiced	Outstanding 31/03/2023
Creditor invoices	£2,502,887	£13,163
Debtor invoices	£284,851	£34,041
Within note 14 there is £280,647 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 2023.

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 drawn down during 2022/23.

The total expenditure of refinancing was:

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

25. POST BALANCE SHEET EVENTS

There are no post balance sheet events.