

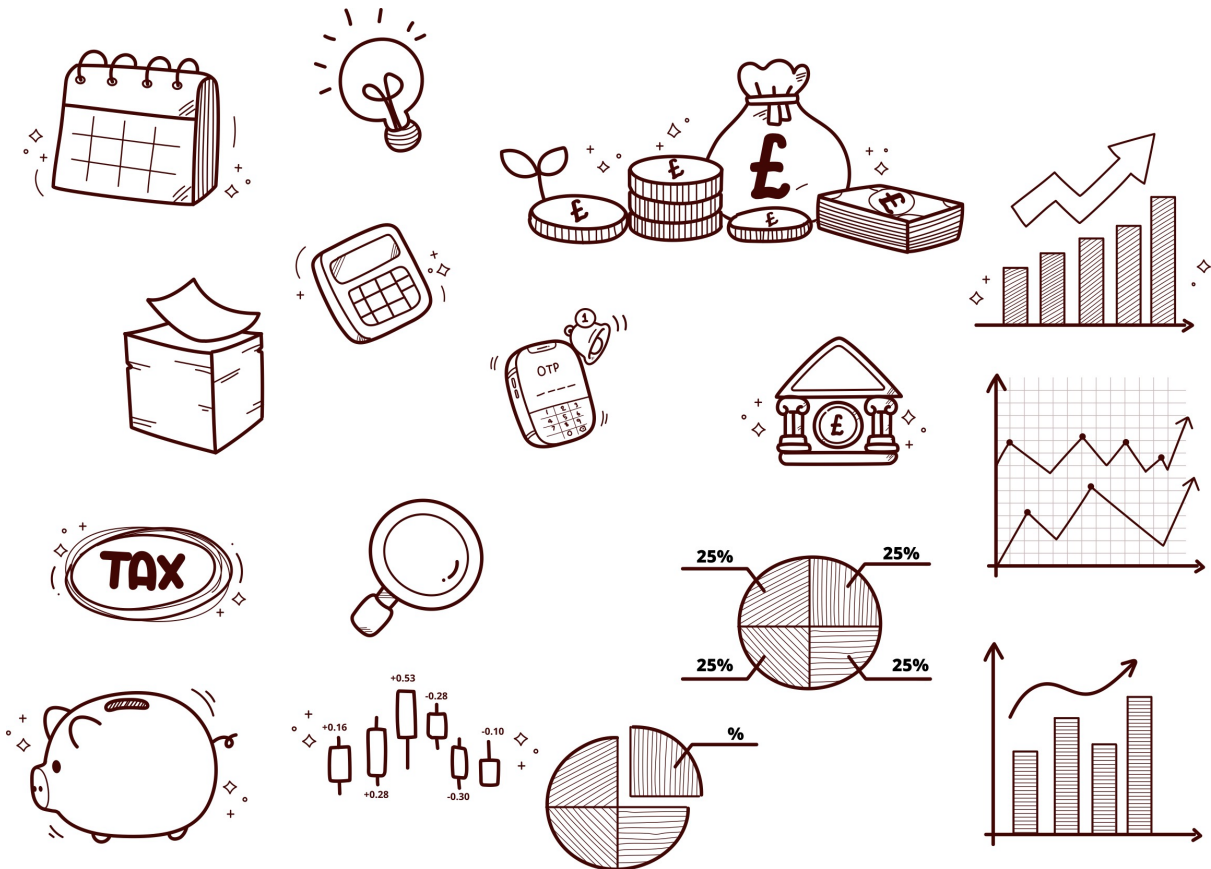


Tai Calon

Community Housing

Financial Statements

Year ending 31st March 2023



Tai Calon Community Housing Ltd. Solis One, Griffin Lane, Rising Sun Industrial Estate, Blaina, Blaenau Gwent, NP13 3JW

Charity Number: XT 21917 • Company Number: 30950 R • Welsh Government Number: L153

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Board Members & Professional Advisors

Tenant Board Members

Gemma Badham
Shannon Williams
Jenny White

Council Board Members

Malcolm Day (Resigned May 2022)
Gareth Davies (Resigned May 2022)
Sonia Behr (Appointed May 2022)
Ellen Jones (Appointed May 2022)

Independent Board Members

Prof. Sir Adrian Webb - Chair
Katherine Howells – Vice Chair
Ian Hughes
Mike Santon
Neil Harries
Abhishek Vyas

Co-opted Board Members

Chris Jofeh (Resigned April 2023)

Independent Committee Members

Brian Pickett
Sian Nicholas

Executive Officers

Howard Toplis – Chief Executive
Martyn Price – Director of Resources and Company Secretary
Andrew Myatt – Director of Communities & Housing
Ian Atkinson – Director of Assets & Property (Resigned July 2022)
Richard Hopkins (Appointed January 2023)

Registered Office

Solis One, Griffin Lane, Rising Sun Industrial Estate, Blaina, Blaenau Gwent NP13 3JW

External Auditors

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

Internal Auditors

Mazars LLP, 30 Old Bailey, London, EC4M 7AU

Bankers

Barclays Bank, Windsor Court, 3 Windsor Place, Cardiff, CF10 3ZL

Funders

The Royal Bank of Scotland Plc.
10th Floor,
250 Bishopsgate,
London,
EC2M 4AA

Barclays Bank,
Windsor Court,
3 Windsor Place,
Cardiff,
CF10 3ZL

Strategic Report

The Board is pleased to present its strategic report, board report and the audited financial statements for Tai Calon Community Housing for the Year ended 31st March 2023.

Background and Socio-Economic Context

Tai Calon Community Housing was formed on 26th July 2010 as part of a large-scale voluntary transfer of the housing stock from Blaenau Gwent County Borough Council.

Tai Calon has 5,821 homes in management. These homes have been brought up to the Welsh Housing Quality Standard (WHQS). Most of these homes are three-bedroom houses, some of which have been adapted to make it easier for tenants to stay in their homes and improve their quality of life. There are 333 leasehold properties.

Blaenau Gwent is home to 66,900 people. 8% are Tai Calon tenants, compared to roughly 4.3% of the population being social housing tenants across Wales. Unemployment in the area was 3.6% in 2022, slightly lower than the rest of Wales (3.7%). Average weekly earnings were £377.80 compared to £324.89 for the previous year and many of Blaenau Gwent's working residents work outside the borough, which can mean higher travel costs.



Corporate Plan

In 2021 Tai Calon published a new Corporate Plan (2021-2025); over ten years since Tai Calon was formed, it was a great time to review where we want to go. The new Corporate Plan sets Tai Calon's Vision and Mission as follows:

Our Vision

Tai Calon exists to inspire its people so that they go beyond affordable housing and are driven to create vibrant communities across Blaenau Gwent.

Mission

By 2025, over 90% of our customers will be satisfied, or very satisfied, with the overall service that they receive.

Overall satisfaction in 2025 will also reflect tenant's opinions on the following:

- A. The quality of their home; the improvement in its environmental efficiency (subject to funding to achieve a SAP* rating of 85)
- B. The perception of their neighbourhood is informed by some of the 200 new homes to be developed across the county.

Culture & Values

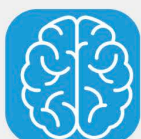
Our CALON values help shape our culture and support our Vision and Mission. That is why every business outcome, action and decision align with our values.



Creativity - Think differently, challenge processes where they can see improvement, and take risks.



Authentic - To be yourself. To be open, honest and trustworthy, and act with integrity.



Learning - To understand the importance of learning and updating skills and knowledge to be confident in your role.



Ownership - To take ownership of tasks which in turn creates Accountability. That including learning from mistakes and trying new things.



"Not on your own" - We are one team, working together, with care, empathy and consideration. We can't do our jobs without each other!

Our Performance 2022/23

Tenant Satisfaction

81% overall tenant satisfaction

Rent

99.21% Collected

1.88% arrears

Repairs

87.72% Completed to Time

98.00% Appointments Kept

Overall satisfaction with repairs is 92.6%

Empty Homes

27 empty homes on 31st March 2023

47 is the average time a home for relet is empty

0.77% income loss whilst homes are empty

Compliance

99.96% gas servicing was completed to time

99.95% of our homes with a valid electrical certificate less than 5 years

100% fire risk inspection - up to date

100% of properties received a scheduled WMS (water management risk assessment)

100% Passenger Lift (inspected by due date)

Customer Engagement

51,343 customer calls answered

93.3% customer calls answered on time

47 complaints received (17 less than last Year)

3893 compliments received

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KPI Performance Indicators (KPIs)

Tai Calon has an agreed set of Key Performance Indicators (KPIs) that cover the operational activities in major areas such as repairs, empty homes and rent collection. We've detailed the previous Year's performance highlights on the previous pages. The Welsh Government also requires all Registered Social Landlords to publish a set of Value for Money KPIs, as shown below.

Value for Money Indicators	Wales Sector Average 2021/22	Tai Calon 2021/22	Tai Calon 2022/23 (Draft)
Total operating costs per social housing unit	£3,779	£3,743	£3,686
Management costs per Social Housing unit	£1,428	£1,616	£1,699
Reactive repair costs per Social Housing unit	£1,281	£1,394	£1,512
Major repairs and component costs per social housing unit (Capital Expenditure)	£976	£1,560	£1,240
Major repairs and component costs per Social Housing unit (Capital & Revenue Expenditure)	£1,351	£2,192	£1,590
Bad debts per Social Housing unit	£27	£27	£1
Weighted average cost of capital	4.33%	5.92%	6.01%
Free cash flow (before draw-down or repayment of loans) per Social Housing unit	£405	-£1,416	£404
Gross Arrears/Social Housing turnover	4.9%	1.26%	1.5%
Total Turnover per Social Housing unit	£5,745	£4,777	£4,987
Rental void loss per Social Housing unit	£94	£46	£38

More performance information is included in our Annual Review 2022/2023.

Customer Satisfaction – we aim to achieve 90% overall customer satisfaction by 2025.

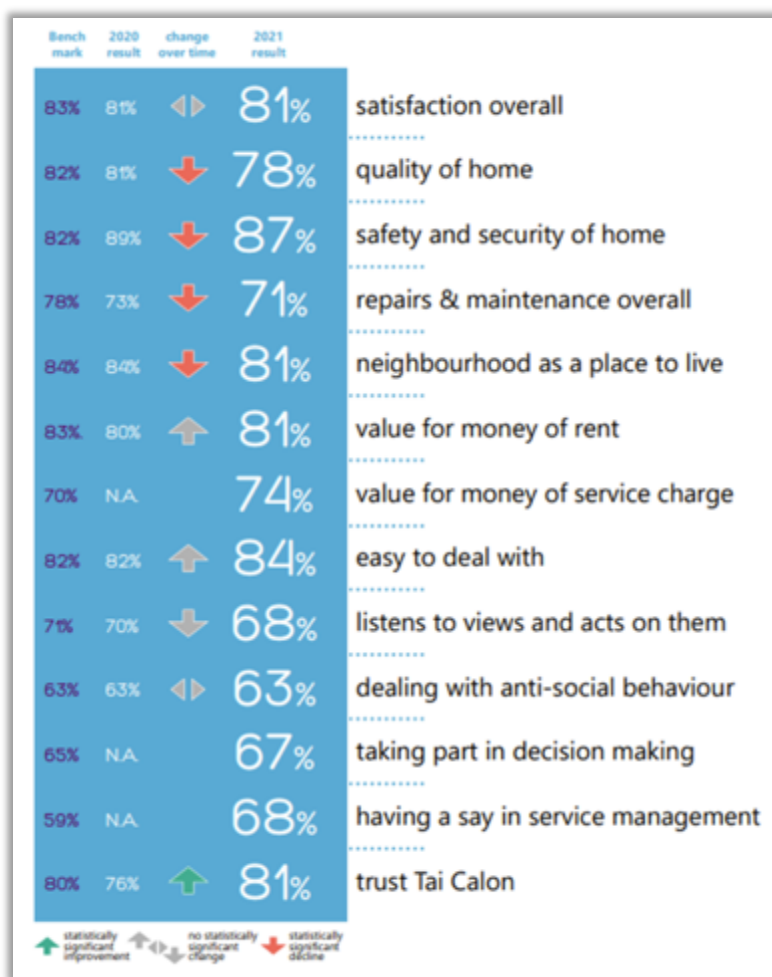
Tai Calon uses many methods to gauge customer satisfaction. A key one is our annual survey (called the STAR survey). In the autumn of 2021, this survey was sent to approximately 33% of our customers. The next STAR survey will be completed in autumn 2023.

The result showed that overall satisfaction with Tai Calon’s services has not changed from the previous Year. So, whilst we had hoped for an improvement for our customers, it was interesting to note that our competitors recorded drops in satisfaction. The 81% can be compared with the housing sector average of 83%. On the opposite end of the scale, only 11% were unhappy, slightly fewer than the 13% last Year.

In detail, the annual survey showed the following:

There is still more for us to do.

Our Corporate Plan 2025 aims to achieve 90% by 2025, and we are working very hard to achieve that with a range of changes and improvements made through the Year ending 31st March 2023. Further, we also work with the Institute of Customer Service to compare ourselves with all great customer-facing organisations across the UK.



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Year ended 31 March 2023

Assets

Effective Asset Management and a reduction in empty homes remain a corporate priority. In addition to this, building new homes to meet the needs of current and future generations is an added priority.

Development

Works have been delayed at the Glanffrwd development in Ebbw Vale due to the original contractor going into liquidation. A new contractor has been appointed and works recommence on site in February 2023. This development is for 23 units for social rent, made up of a mix of houses, flats, and bungalows.

The planning application for the development of the Glan-yr-Afon was rejected as the planning committee found the need for open amenity space outweighed the need for social housing in the area. The number of units has been reduced by one removing any encroachment into the area viewed by the local community as open amenity space. The PAC (Planning Application Consultation) has been completed for the revised layout and the planning application resubmitted.

A further four development schemes are currently being considered throughout the borough, with the potential to provide an additional 71 units for social rent.

Active Asset Management continues to be used when assessing the future of homes as they become empty, informing Executive and Board decisions of investment or disposal. Over the last Year, the Active Asset Management Group has reviewed a total of 22 voids. Recommending two properties for conversion to reduce the number of bedrooms, 2 for demolition, 5 for disposal, 10 for investment, 2 for remodelling and be referred to the Development Team to carry out a feasibility.

Planned Work Programmes

Investment in the housing stock has continued to maintain WHQS, with improvements to windows, external renders, roofing, fire safety works, gardens, and the environment around homes. Tai Calon invested just over £129.5 million in homes and communities between April 2010 and March 20223.

Over the next four years, Tai Calon aims to deliver investment in homes and communities via four major works programmes:

- Works to Gardens and Boundaries, e.g., garden paths, walls, fences, and gates
- External works to homes, e.g., windows, doors, fire safety, render and roofing.
- Internal works to homes, e.g., boilers, electrical wiring, kitchens, and bathrooms.
- Works to improve the energy performance of homes and reduce the risk of damp of damp and mould. e.g. insulation, ventilation, PV panels, battery storage, air source heat pumps and other forms of renewable technologies.

These works will maintain compliance with Tai Calon's Welsh Housing Quality Standard Compliance Policy, a copy of which can be found on our website.

Decarbonisation - The Optimised Retrofit Programme

Tai Calon has received a total of £4.3 million in grant funding since 2020 as part of the Welsh Governments Optimised Retrofit Programme (ORP). A total of 166 homes received external wall insulation (EWI) improvements under Phase 1 (2020-2021), with a further 256 homes included under Phase 2(2022-2023). Within the next 12 months a further 75 homes will benefit from the installation of a range of energy efficiency measures (EEMs) including air-source heat pumps, or infrared heating, combined with PV and battery storage.

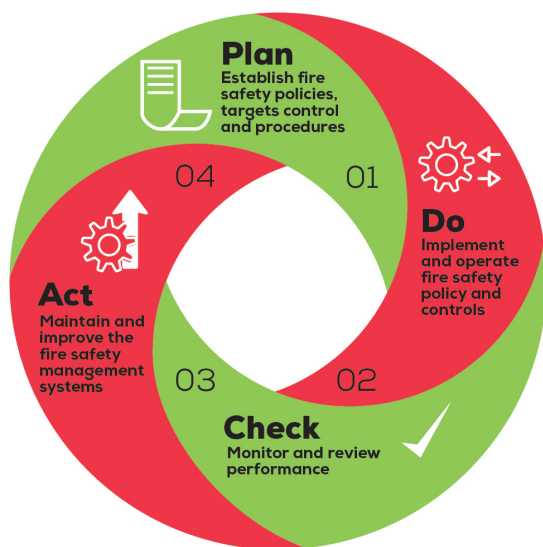
The purpose of the ORP Funding is to enable social landlords to retrofit homes with energy efficiency and decarbonisation measures. To ensure that the retrofit measure chosen for individual homes is suitable, each home will require a 'Whole Home Survey' to be undertaken, which will identify which measures are best (will not adversely affect the functionality of the building or adversely affect the wellbeing of our customers). The Whole Home Survey will also identify a home's 'Pathway to Zero', which is a road map showing how identified measures will improve a home's energy efficiency over time.

Finally, the performance of measures will be monitored via an in-home Intelligent Energy Systems (IES) to measure, record, and report results.

Fire Safety

Preventing fires and reducing risk as low as possible is one of Tai Calon's most important responsibilities as a landlord. We do this by making sure that all relevant staff are regularly trained in fire safety procedures and that all applicable areas are regularly inspected.

Tai Calon provides fire and general safety advice to our residents to help them keep themselves, their families, and visitors safe in their homes.



We manage fire safety through the “**Plan, Do, Check, Act**” cycle. This is recommended in **BS 9997:2019 Fire Risk Management Systems** and is an established method of control and continuous improvement used in many industries.

Performance reports for both the completion of assessments and the management of any fire risks identified are also presented to the Executive Team monthly and quarterly to the Homes & Committee, as well as being reported to the Board every six months.

Tai Calon utilises the Fire Safety Consultant and its fire risk assessor to provide guidance and verification for matters associated with Fire Safety, including ongoing fire certification.

There has been significant investment to Tai Calon's low-rise blocks to improve fire safety with the installation of fire suppression systems within 20 of the blocks.

Gas Safety

Corgi Technical Services Ltd completed a Gas Audit in June 2023. The Gas Audit report includes the CORGI National Benchmark of similar organisations to help assess our performance against the industry standard. There are two benchmarking KPIs:

1. The correct **completion of work** ensures compliance with the manufacturers' instructions and Gas Safety (installation and use) Regulations (GSR) 26(9)
2. The correct **completion documentation** of the Landlords Gas Safety Records (LGSR) ensuring compliance with GSR 36(3c).
3. Completion of work and Documentation

On average, over the 12 months, the Gas Safety Team for Records and Documentation scored 91%, compared with the National Benchmark average of 84%.

Landlord Health and Safety Audit

Mazars completed several audits during the financial Year including:

Data Integrity (Audit) in September 2022 and Key Control Health Check (Audit) in October 2022 of the six Landlord Health and Safety areas. The Audits concluded that Data Integrity assurance grading was “Substantial”, and the Key Control Health Check was “control effective, except for” minor improvements.

Tai Calon instructed Mazars to carry out additional three “deep dive” audits of the six areas of Landlord Health and Safety to identify improvements to the procedures and systems.

Fire Safety Audit May 2022 Assurance Grading “Adequate”.

Asbestos Audit December 2022 Assurance Grading “Adequate”.

Water Safety Audit January 2023 Assurance Grading “Needs improvement”.

The audit recommendations support Tai Calon’s approach to Health and Safety of continuous improvement through its “**Plan, Do, Check, Act**” Cycle and working towards implementing and embedding the required changes.

Risk

Like any organisation, Tai Calon faces risks and uncertainties as part of its daily operations. Ensuring that these risks are identified, considered, and then mitigated is important to Tai Calon. The Welsh Government, as Regulator, also expects that the Board has a thorough understanding of the risks facing Tai Calon and to be confident that those risks are being managed effectively.

Following the risk management process makes Tai Calon consider its strengths and weaknesses as an organisation and develop actions to improve. Risk management also helps to ensure that Tai Calon has a good understanding of its own operation and the environment it operates in.

Tai Calon has a risk management process, as shown graphically below, while the major risks that Tai Calon faces are shown on the following page.



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Year ended 31 March 2023

Strategic Risk	Inherent Risk	Residual Risk	Residual Risk
A risk that employees, tenants, contractors, and the public are not kept safe in accordance with the statutory and regulatory environment.	Red	We have put in place a range of safety controls, including policies and procedures, risk assessments, method statements and planned preventative maintenance. We ensure that safety has a high profile in the organisation and is reported at all levels. We also attend all relevant industry events to keep up to date with changes in the safety sector.	Yellow
Failure of Governance such that Tai Calon does not comply with regulatory requirements of WG or other regulatory bodies.	Amber	The Board is kept up to date with all relevant regulations through briefings and debates. The organisation employs experts in certain areas of regulations and seeks external advice on others. Assurance is also gained from independent reviews, such as the internal auditors. We also have regular meetings with the regulators at Welsh Government.	Yellow
A risk that major fraud or data security breach takes place which has a material impact on Tai Calon's financial viability as a result of inadequate technology, policies and procedures in relation to fraud and data security.	Red	There is a range of controls in place across the organisation to reduce the risk of fraud. These are reviewed regularly by the Audit and Risk Committee. We also hold external audits, and our IT department has a series of protections against cyber fraud, such as penetration testing.	Yellow
RA risk that key financial plans and financial assumptions, including Rent Policy and welfare reform, are not fit for purpose and undermine the financial viability of Tai Calon.	Red	We complete an annual business plan which is extensively stress tested under various scenarios and approved by our funders. We also keep our costs under review throughout the Year. The Regulatory Opinion from the Welsh Government was Standard (the highest rating) and had no adverse comments. We take a prudent approach to rent setting, rent increases and Welfare Reform when developing our medium-term financial plan and test it against many scenarios. We use Key Performance Indicators to help monitor the level of rent arrears closely that are due to welfare reform and work with our tenants to sustain their tenancies.	Yellow
A risk that overall tenant satisfaction target is not achieved through failure to listen to tenants.	Amber	Performance Management system in place and monitored. Performance reviews, training, and support are in place. Service standards are now in place for several key services such as customer services, estate management, repairs, complaint management and dealing with anti-social behaviour. STAR survey identifies the increase in satisfaction but also tenant priorities and areas of dissatisfaction. Rant & Rave is in place to help with customer feedback.	Yellow
A risk that Tai Calon is unable to maintain high-quality homes that meet tenants' expectations	Amber	Asset Management Strategy and plan in place and agreed by Board in 2020/21. Accurate stock data is used in modelling and assessing investment and maintenance needs. Five-year Investment Programme in place. The governance process is in place for all empty homes to make sure that we make the right decisions.	Amber

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Year ended 31 March 2023

<p>A risk that Tai Calon fails to deliver an effective repair and maintenance service that meets tenants' expectations</p>	<p>Red</p>	<p>Repairs & Maintenance Procedures are in place. Regular review of Key Performance Indicators and feedback from customers on service delivery</p>	<p>Yellow</p>
<p>A risk that the average thermal efficiency (measured as SAP85) is not achieved by 2025.</p>	<p>Red</p>	<p>Asset Management Strategy in place. Tai Calon is a member of the Welsh Government's Optimised Retrofit Programme (ORP). The housing sector has already made the case that taking on additional debt funding is not the way to fund the decarbonisation work because there is no additional income stream to support this. Therefore, work is ongoing in the housing sector to identify additional funding streams for Decarbonisation works, and with that to find alternatives and possibly off-balance sheet approaches that could be used, whilst at the same time pushing the Government to fund this work as well. Due to the uncertainty around funding for decarbonisation work, the residual risk remains red.</p>	<p>Red</p>
<p>Risk that Tai Calon fails to deliver 68 new homes and secure pipeline planning for 200 homes to enable accelerated delivery subject to funding</p>	<p>Red</p>	<p>Development Strategy approved by Board. Good relationship with Blaenau Gwent County Borough Council and communicating development plans regularly. Viability assumptions (cost of finance, rent income, grant rates, build cost, repairs/management costs etc.) agreed for use in our viability assessments for development schemes. Welsh Government have introduced a Standard Viability Model that will set the grant rate that Tai Calon will use. In order for Tai Calon to fund 200 new homes, additional finance will be required over and above that within our current Business Plan and refinancing of a new loan facility is due to be completed in July 2023.</p>	<p>Yellow</p>

Governance and Internal Control

Tai Calon is governed by the Board and tenant shareholding members and managed by the Executive Team. As a Community Housing Mutual, tenants are entitled to become tenant shareholders and at the end of the Year, shareholder membership stood at 555.

The Board has overall responsibility for the strategic direction, financial probity and for ensuring that we have the appropriate resources available to achieve our goals and standards of service.

The composition of the Board is as follows:

- Six independent Board members – selected by the Board and elected at the Annual General Meeting.
- Three Tenant Board members – elected by the tenants of Tai Calon, with the result ratified at the Annual General Meeting.
- Two local Council-appointed Board members whom Blaenau Gwent County Borough Council nominates.
- Up to three Co-opted members may also be on the Board, albeit they may not vote.
- Two Independent Committee members – are selected by the Board.

All our Board Members, except for those co-opted, have the right to vote at Board meetings. The Executive Team attend Board meetings but do not have voting rights. Board members work together to deliver the aims and objectives of the Association. The Board meets on average eight times a year. In addition, Board Members also attend committees, working groups and away days as required. A Board work plan has been established. This plan includes overseeing finances, agreeing policies, monitoring performance, making strategic decisions, and generally ensuring good governance is in place across the business. To support this aim, Tai Calon has adopted the Code of Governance published by Community Housing Cymru. In reviewing the Code of Governance, the Board concluded that it complied with all seven principles of Organisational Purpose, Leadership, Integrity, Decision Making (including risk and control), Board Effectiveness, Equality Diversity and Inclusion, and Openness (including accountability)

The Board recognises the importance of self-evaluation. We have undertaken an exercise in 2022/23 which has been integral to our corporate planning process.

The Board has updated its Standing Orders, Scheme of Delegation and Governance Framework during 2022/23 where relevant.

Tai Calon is committed to fairness and equality across all our services, as we recognise the benefits that it brings to both the Board and our staff. We published our Gender Pay Gap Report in March 2022 and will continue to work to develop our policies and procedures in a way that encourages inclusion and a fair and diverse work environment.

An Audit and Risk Committee is in place. This Committee meets four times a year and is delegated to monitor internal and external audit, risk management and internal controls, fraud and irregularities and review the financial statements. The Homes & Communities Committee meets quarterly and reviews the performance of the organisation in respect of service delivery, monitoring of new developments and tenant engagement.

Remuneration Committee meets at least once a year. They review the terms and conditions of the Executive Team.

The Association received a positive Regulatory Judgement, including the highest rated categories for governance and finance. As well as the positive regulatory assessment, the organisation has received positive internal and external audit opinions.

Internal Control

The Board is responsible for ensuring that our business operates effectively and achieves its objectives.

It is the Board's responsibility to have a system that identifies and manages risk. This includes effective internal control systems and procedures to minimise the risk of loss through fraud, corruption, errors, and mismanagement. The Board has an Anti-Fraud Policy which aims to achieve these objectives.

Whilst the Board cannot delegate ultimate responsibility for the internal control system, it has delegated responsibility to the Audit and Risk Committee, which will rely on several forms of assurance. To do this, the Board has taken three steps:

- Identified/reviewed our business objectives, the possible opportunities and the risks and threats to achieving the objectives.
- Formed/reviewed our framework for managing and identifying risk; and
- Identified how the Board will obtain assurance that the risk management policies adopted are adequate and operating effectively.

The internal control framework is based on a Three Lines of Defence approach and seeks assurance by ensuring that:

- Experienced and suitably qualified staff take responsibility for key processes and decisions, staff are appropriately trained and performance supervised and monitored;
- The Audit and Risk Committee continually review and receive reports upon all aspects of internal control to ensure they are working effectively and being followed, including fraud and irregularities.
- Regular reports from directors and senior managers, which cover operational and financial matters, to give assurance that internal controls are working effectively.
- Regular monitoring and reporting of all risk related matters, including results of control of risk management procedures and strategic and operational risk maps.
- The Audit and Risk Committee reviews and monitors reports from Internal Audit and External Audit to provide reasonable assurance that control procedures are in place and being followed.
- Effective system of monitoring performance on key business areas.
- Effective corporate governance arrangements and compliance with regulatory requirements.
- Additional work has been undertaken to provide assurance in respect of health and safety responsibilities including landlord duties and a peer review has been undertaken.

The Association has received a positive annual internal audit statement and has continued its oversight by both the Executive Team and the Audit and Risk Committee on the implementation of internal audit recommendations. The Audit and Risk Committee has reviewed this evidence and reported to Board favourably on the reliability of the system of internal control.

Having reviewed the evidence presented, Board are satisfied that there are no weaknesses in our system of internal control which might lead to material losses, contingencies or uncertainties which require disclosure in the financial statements or the Auditor's report on the financial statements.

Financial Statements

Year ended 31 March 2023

Financial Performance

The 2022/23 financial statements are prepared under the Financial Reporting Standard (FRS102) accounting standard and Housing Statement of Recommended Practice (SORP) 2018.

The financial result for the Year ending 31st March 2023 is a surplus of £18,266 million compared to the previous year surplus of £5,862 million. The change was mainly driven by changes in the assumptions used to calculate the pension assets and liabilities. Within the Year, the pension fund has gone from a liability of £15,599 million into an asset of £2.029 million. This movement is recognised in the Statement of Comprehensive Income.

Management have carefully considered the extent to which a pension asset should be recognised under accounting standards, which require an entity to limit the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit scheme and the asset ceiling. The asset ceiling is defined to be the present value of the economic benefit available in the form of refunds from the scheme or reductions to future contributions. Further details are shown in note 24 to the financial statements. Additionally, estimates and judgments are detailed in note 2.

The financial statements also include a Statement of Financial Position, often called the balance sheet, which is a statement that represents the relationship of an entity's assets, liabilities and equity as of a specific date, and a Statement of Cash Flows that provides information about the changes in cash and cash equivalents of an entity for a period, the Statement of Cashflows has been set out in accordance with the Welsh Government accounting determination. This requires the statement of both cash flow and free cash flow which is a closer definition of operational efficiency.

2022/23 Financial Statement - Results Summary Statement of Comprehensive Income	For the Year ended 31st March 2023 £'000	For the Year ended 31st March 2022 £'000	Movement £'000
Turnover	29,310	28,065	1,245
Operating Expenditure	(26,437)	(27,143)	(706)
Surplus on disposal of property, plant, and equipment	522	0	522
Operating Surplus / (Deficit)	3,425	922	2,503
Net Interest	(4,375)	(4,139)	238
Pension Fund Adjustment	19,216	9,079	8,108
Net Surplus / (Deficit) on Comprehensive Income for the Year	18,266	5,862	10,375

Turnover has increased by 4.44% from £28.065 million to £29.310 million, which has mainly been driven by the increase in rents (set by the Board in line with Welsh Government rent policy), and revenue grants. The operating surplus is £3.425 million, which is £2.503 million higher than in 2021/22. This increase is mainly due to the surplus on disposal of property.

The net cost of borrowing was £4.375 million, slightly higher than in the previous year, mainly due to increases in interest rates. Efficient management of Tai Calon's cash resources during the Year has resulted in total borrowings decreasing to £67.3 million at the year-end compared to £71.5 million in 2021/22.

As of 31st March 2023, the Association has £37.750 million of unutilised committed funding facility that, subject to annual covenants, could be drawn upon, adding to the liquidity of the cash at the bank totalling £2.822 million.

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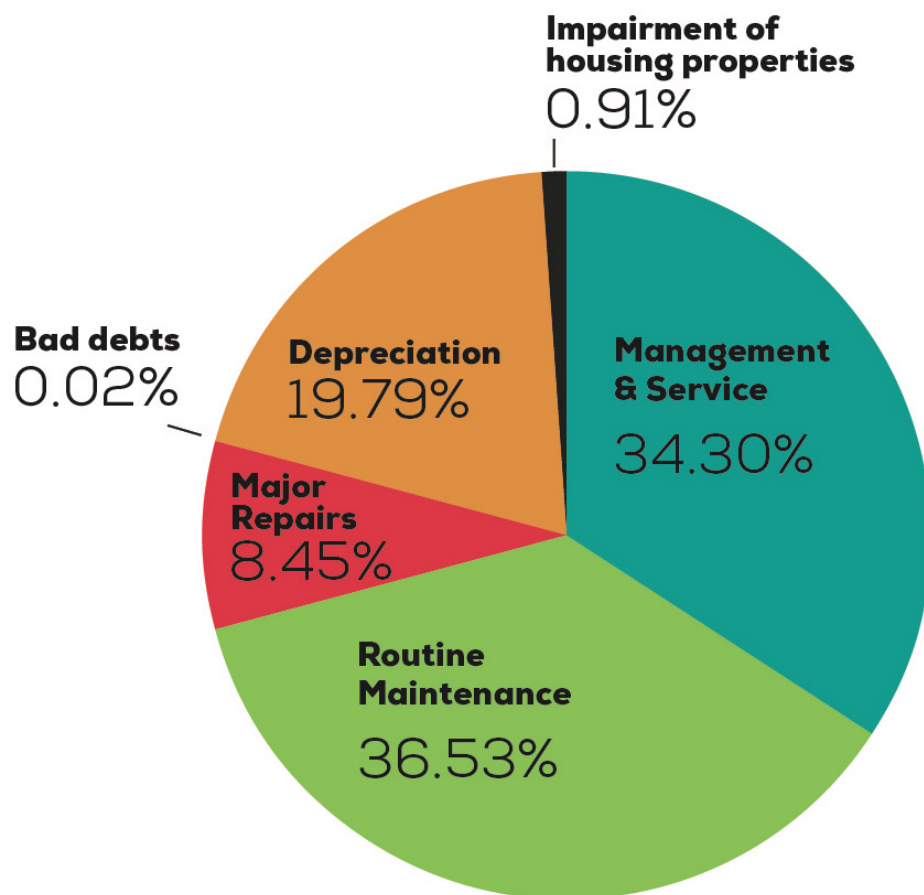
Year ended 31 March 2023

Our debt ratio was 12% at variable, and 88% at fixed interest rates which is compliant with our Treasury Management Strategy. Our covenants, with respect of cash flow deficit, asset cover and debt per unit, were all met.

As part of our annual corporate planning process, we have set both our 2023/24 Budget Medium Term Financial Plan and updated the 30-year Business Plan. Tai Calon is currently in the process of refinancing its loan facility, which will enable considerable growth through the development and acquisitions over the life of the Medium-Term Financial Plan. We will continue to improve our housing assets over that period with a significant external wall insulation and roofing programme underway. The new funding facility is £105 million, of which £30 million is a revolving credit facility which can be drawn, repaid, and redrawn as required.

The Business Plan is subject to annual approval by the funders and is reviewed by the Regulator as part of its regulatory judgment. The Plan includes several key assumptions, such as stock condition survey costs, inflation, interest rates, rent increases, welfare reforms' impact, empty homes, and management costs. These assumptions are regularly reviewed, and sensitivity and scenario analysis are undertaken. It is pleasing to note a Regulatory Judgement of 'Standard', which confirms that we meet viability requirements and have the financial capacity to deal with scenarios appropriately.

Analysis of Operating Expenditure 2022/23



Statement of Board Responsibilities

The Board 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 2018 and Registered Social Landlord legislation require the Board to prepare a financial statement for each financial year which gives a true and fair view of the situation and of the surplus or deficit of the Association for that period.

In preparing the financial statement, the Board is required to select suitable accounting policies, as described on pages 29 to 36; and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. They must also prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time our financial position. This also enables Board to ensure that the financial statements comply with the relevant legislation.

The Board is also responsible for safeguarding our assets and hence reasonable steps are taken to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of corporate and financial information included on our website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Board is aware:

- there is no relevant audit information of which the Association and the auditors are unaware and;
- all steps have been undertaken to make itself aware of any relevant audit information and to establish that the auditors are aware of this information.

Approved on behalf of the Board by:



Professor Sir Adrian Webb, Chair of the Board

24th July 2023

Financial Statements

Year ended 31 March 2023

Independent Auditor's report to the members of Tai Calon Community Housing registered under the Co-Operative and Community Benefit Societies Act 2014

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

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

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

Opinion

With respect to the Board's statement on internal financial control on pages 15 - 16, in our opinion, the Board of Management has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work in the financial statements.



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

Date: 26th July 2023

Independent Auditor's report to the members of Tai Calon Community Housing

Opinion

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

In our opinion the financial statements:

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for auditing 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 this requirement. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other Information

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

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

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.

Financial Statements

Year ended 31 March 2023

Matters on which we are required to report by exception.

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

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

Responsibilities of the Board

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Identifying and assessing potential risks related to irregularities.

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

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the organisation's policies and procedures relating to:
- identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance.
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud.
- internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

Audit response to risks identified.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations.
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Financial Statements

Year ended 31 March 2023

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

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

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

Use of our report

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



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

Date: 26th July 2023

Financial Statements

Statement of Comprehensive Income

For the Year ended 31st March 2023

	Notes	For the Year ended 31st March 2023	For the Year ended 31 st March 2022
		£'000	£'000
Turnover	3	29,310	28,065
Operating costs	3	(26,437)	(27,143)
Surplus on disposal of property, plant, and equipment	6	552	0
Operating Surplus		3,425	922
Interest receivable		13	0
Interest payable and similar charges	12	(4,388)	(4,139)
Deficit on ordinary activities before taxation		(950)	(3,217)
Taxation		0	0
Deficit for the Year after tax		(950)	(3,217)
Changes in pension past service deficit contribution liability on revaluation	24	19,216	9,079
Total Comprehensive income for the Year		18,266	5,862

Tai Calon's income and expenditure relate to continuing operations. There is no difference between the historic cost results and those shown on the Statement of Comprehensive Income above.

Financial Statements

Year ended 31 March 2023

Statement of Changes in Reserve

	Income & Expenditure Reserve £'000	Revaluation Reserve £'000	Total Reserve £'000
For the Year ended 31st March 2023			
At 1st April 2022	(23,903)	45,563	21,660
Surplus from Comprehensive Income	18,266	0	18,266
Transfer from Revaluation Reserve	401	(401)	0
At 31st March 2023	(5,236)	45,162	39,926

Financial Statements

Year ended 31 March 2023

Statement of Financial Position as of 31st March 2023

	Notes	For the Year ended 31 st March 2023 £'000	For the Year ended 31 st March 2022 £'000
NON-CURRENT ASSETS / FIXED ASSETS			
Property, Plant & Equipment			
Social Housing Properties	13	141,195	137,490
Other Property, Plant & Equipment	13	11	12
Other Fixed Assets	14	1,851	1,453
		143,057	138,955
Current assets			
Debtors			
Amounts falling due within one Year	16	11,614	14,928
Amounts falling due after one Year	17	20,299	18,532
Cash at bank and in hand		2,822	1,787
		34,735	35,247
Current liabilities			
Creditors: amounts falling due within one Year	18	(53,106)	(31,316)
Social Housing Grant and Other Grants: amounts falling due within one Year	15	(1,385)	(1,247)
		(19,756)	2,684
Net current assets		(19,756)	2,684
Total assets less current liabilities		123,301	141,639
Creditors: amounts falling due after more than one Year	19	(46,949)	(72,630)
Social Housing Grant and Other Grants: amounts falling due after one Year	15	(38,454)	(31,790)
LGPS Pension Fund Asset/(Liability)	24	2,029	(15,559)
Total net assets		39,927	21,660
Capital and reserves			
Share capital	20	1	1
Income & Expenditure Reserve		(5,236)	(23,903)
Revaluation Reserve		45,162	45,563
Total capital and reserves		39,927	21,660

The financial statements were approved by the Board of Management on 24th July 2023 and signed on its behalf by:

Prof. Sir Adrian Webb
Chair



Katherine Howells
Vice - Chair of Board



Martyn Price
Company Secretary



Financial Statements

Year ended 31 March 2023

Statement of Cash Flows for the Year Ended 31st March 2023

	For the Year ended 31st March 2023 £'000	For the Year ended 31 March 2022 £'000
Operating Surplus / (Deficit)	3,425	922
Adjustments for non-cash items		
Depreciation of tangible fixed assets	4,679	4,505
Impairment of tangible fixed assets	219	671
Government grants utilised in the Year	(1,240)	(1,079)
Working capital movements		
Decrease in debtors	1,664	4,708
Decrease/ (increase) in operating creditors	764	(6,043)
(Decrease) / increase in provisions	(137)	74
Decrease in stock	15	229
Pension costs less contributions paid	1,628	1,947
Net cash generated from operating activities	11,017	5,934
Interest received	14	0
Interest paid	(4,370)	(4,137)
Prepaid loan fees	52	52
Component Replacement	(8,904)	(10,026)
Adjustment for reinvesting in existing activities:		
Purchase of tangible fixed assets	(111)	0
Free cash generated / (consumed) before loan repayments	(2,302)	(8,177)
Repayment of borrowings	(11,000)	(11,021)
Free cash generated / (consumed) after repayment of borrowings:	(13,302)	(19,198)

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Year ended 31 March 2023

	For the Year ended 31 March 2023 £'000	For the Year ended 31 March 2022 £'000
Cash flow from investing activities		
Grants received	7,837	5,997
Cash flow from financing activities		
New secured loans and drawdowns from existing revolving credit facilities	<u>6,500</u>	<u>12,771</u>
Net (decrease) / increase in cash and cash equivalents	1,035	(430)
Cash and cash equivalents at the beginning of the Year	<u>1,787</u>	<u>2,217</u>
Cash and cash equivalents at the end of the Year	2,822	1,787
b. Reconciliation of cash inflow to movement in net debt		
	For the Year ended 31 March 2023 £'000	For the Year ended 31 March 2022 £'000
Increase/(Decrease) in cash and cash equivalents	1,035	(430)
(Decrease)/Increase in loans	4,500	(1,750)
Decrease/(Increase) in net debt	5,535	(2,180)
Net debt as at 1st April 2022	<u>(69,963)</u>	<u>(67,783)</u>
Net debt at 31st March 2023	(64,428)	(69,963)

	Cash at bank and in hand £'000	Loans £'000	Changes in net debt £'000
c. Analysis of net debt			
At 1 st April 2022	1,787	(70,796)	(69,009)
Net cash flows	<u>1,035</u>	<u>(4,500)</u>	<u>(3,465)</u>
At 31 st March 2023	2,822	(75,296)	(72,474)

Notes to the Financial Statements

1. LEGAL STATUS

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

2. PRINCIPAL ACCOUNTING POLICIES

A summary of significant accounting policies, which have been applied consistently, are set out below:

Format of accounts

The financial statements have been prepared in accordance with the applicable financial reporting statements in the United Kingdom including the Statement of Recommended Practice for “Accounting for Registered Social Providers” as updated in 2018 (Housing SORP 2018 and comply with the Accounting Requirements for Social Landlords registered in Wales General Determination 2015. All amounts are registered in thousands of pounds.

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting.

Basis of preparation

Tai Calon’s business activities, its current financial position, and factors likely to affect its future development are set out within the strategic report. Tai Calon has in place long term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the day-to-day operations. Tai Calon also has a long-term business plan which shows that it can service these debt facilities whilst continuing to comply with lenders’ covenants.

On this basis, the Board has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future, being a period of at least 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.

Adoption of the Housing SORP 2018

Tai Calon has adopted the Housing SORP 2018 and, as appropriate, Financial Reporting Standard 102 (“FRS102”). Tai Calon is classed as a public benefit entity under FRS102.

In 2018 the Housing SORP was updated resulting in changes to the disclosure of surplus on disposal of property, plant and equipment which is now included within operating surplus (deficit).

Turnover

Turnover represents rental and other income receivable and revenue grants receivable. It also includes grants reimbursing specific expenditure on the improvement programme and amortisation of Social Housing Grant. Disposals of fixed assets such as property sales income are not included in turnover.

Financial Statements

Year ended 31 March 2023

Housing properties

Housing Properties acquired in 2010 are restated on a deemed historic cost basis for freehold land and buildings. Housing Properties are then depreciated with the exception of freehold land which is held as a separate fixed asset. Historic cost for capital works undertaken since 2010 is included at historic cost less depreciation.

Any overhead costs directly attributable to bringing fixed assets into their working condition for their intended purpose are capitalised. Expenditure on initial purchase of land and buildings is capitalised and disclosed as part of housing properties in course of construction within tangible fixed assets. Any directly attributable finance costs (other than interest costs) are capitalised as the asset is developed and amortised over the life of that asset. Tai Calon will capitalise interest on loans raised to finance schemes prior to completion.

Housing Properties - New Developments

The new development of housing properties are stated at cost less depreciation. The cost comprises its construction or purchase price and any costs, fees or works directly attributable to bringing it into working condition for its intended use.

In addition, directly attributable costs of the Association's staff arising directly from the construction, or acquisition of the property, and the incremental costs of the Association are capitalised where they relate to expenditure that would not have been incurred if the Association did not have an ongoing development programme. Detailed analysis of staff development activity is used as a basis of determining the amount of staff cost capitalised.

The building and components depreciable amount are written off when each scheme is completed over the estimated useful lives as stated in the depreciation policy.

Stock

Stocks are stated at the lower of cost or net realisable value. Cost includes all costs incurred in bringing each item to its present location and condition. Net realisable value is based upon estimated selling price less any further costs expected to be incurred to completion and disposal.

Tangible Fixed Assets - Other

Other Tangible Fixed Assets covers capital expenditure which pays for improvements to existing and new non-housing assets. Examples include office premises, scheme equipment, vehicles, and office equipment. The depreciation policy applied to these other tangible fixed assets sets out the expected useful economic life in respect of these other fixed asset classes.

Interest payable

Interest payable is charged to the Statement of Comprehensive Income to reflect the costs of loan finance attributable to each accounting period.

Financial Statements

Year ended 31 March 2023

Depreciation

Tai Calon depreciates its housing properties in accordance with the Statement of Recommended Practice (SORP) 2018 "Accounting by Registered Social Landlords". A revaluation was completed in 2014, as a result depreciation is charged on deemed cost. Freehold land is not depreciated.

In line with FRS102 grant is accounted for separately on the face on the Statement of Financial Position sheet as either a long term or short-term creditor. Further detail is included in the accounting policy on grants.

The depreciable amount is written off over the estimated useful lives from the date of purchase / build as follows:

	Houses
New build properties	100 years
Acquisition / refurbishments	100 years

Assets under construction are not depreciated until the works are completed.

Properties on long leases are depreciated over the shorter of the above and/or the remaining period of the lease.

The policy in respect of expenditure to refurbish or replace major components on housing properties is that all such work is assessed against life cycle costing principles. Any cost in respect of repairs with a life of less than 10 years is charged direct to the Statement of Comprehensive Income.

Refurbishment or replacement of major components which have an estimated useful life more than 10 years are capitalised and depreciated over the useful life of the component as follows:

Kitchens	15 years
Bathrooms	25 years
Re-wiring	25 years
Boiler Installations	15 years
Central heating	30 years
Roofing	60 years
Windows	30 years
Doors	25 years
Structural works	50 years
Renewable Energy = PV Panels	25 years
Renewable Energy = Heating	20 years
Renewable Energy = Components	15 years
Sprinkler Systems	15 years

Financial Statements

Year ended 31 March 2023

Depreciation is charged over the expected useful economic life of other fixed assets as follows:

Office refurbishment	10 years
Office & IT equipment	5 years
Vehicles and equipment	5 years
Head Office	50 years

Grants and Amortisation

Social Housing Grant is receivable from the Welsh Government (the WG) and is repayable in the event of disposal, demolition or change of use to an ineligible activity, save in circumstance where the Welsh Government considers it appropriate to reduce the amount repayable. These are designed as a contribution towards the capital cost of providing new social housing and are received when a property is developed or acquired.

Government grants received for housing properties are recognised in income over the useful life of the housing property structure under the accruals method. Where the grant exceeds the Capital Investment grant is recognised in income.

SHG due from the WG or received in advance is included as a current asset or liability. SHG received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with the WG. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in liabilities.

Where individual components are disposed of, this does not create a relevant event for the recycling of grant purposes. Upon disposal of the associated property, the Association is required to recycle the full amount of the original grant received. A contingent liability is disclosed in the accounts in relation to SHG amortised to date, due to the potential requirement to recycle upon sale of a property.

Recycling of grants

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

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 Statement of Financial Position related to this asset is derecognised as a liability and recognised immediately as revenue in the Statement of Comprehensive Income.

Financial Statements

Year ended 31 March 2023

Housing Support Grant

Housing Support Grant income and expenditure is accounted for on an accruals basis, matching income and expenditure and disclosures are made in accordance with relevant standards and legislation.

Impairment

Housing properties are annually reviewed for impairment (i.e., the amount by which the carrying amount of an asset exceeds its selling price less cost to sell, or its recoverable amount). Where there is evidence of impairment, housing properties are written down to their recoverable amount.

Repairs and maintenance

The costs of repairs and maintenance are expensed as incurred based on work done at the date the financial statements are prepared.

Operating leases

Costs in respect of operating leases are charged to the income and expenditure account as they are incurred.

Taxation

Value Added Tax

Tai Calon is registered for VAT. The financial statements include VAT to the extent that it is suffered by Tai Calon and not recoverable from HM Revenue and Customs (HMRC). The balance of the VAT payable or recoverable at the year-end is included as a current asset or liability.

VAT Shelter

Tai Calon has a 15-year VAT shelter in place, approved by HMRC. The VAT Shelter transfers the VAT costs of the works required to meet the Welsh Housing Quality Standard (WHQS) to Blaenau Gwent County Borough Council.

As part of the transfer agreement, Blaenau Gwent County Borough Council transferred the properties to Tai Calon with an obligation to undertake the works to meet WHQS at the Council's expense. Tai Calon is entitled to reclaim VAT on the costs incurred in meeting the WHQS as detailed in the Development Agreement which forms part of the transfer agreement.

Under FRS 102/SORP 2018 the Association is required to show the separate elements of the outstanding amounts relating to the original transfer of assets. An amount has been calculated in relation to the value of works still to be completed. This amount has not been based on the original agreement but has instead been based on the experience of the Association in the intervening years as to the true cost of the works to be completed. It is felt that this amount is a more accurate representation of the actual costs still to be completed.

Financial Statements

Year ended 31 March 2023

Corporation Tax

Tai Calon Community Housing Limited is regulated by the Financial Conduct Authority as a Community Benefit Society with exempt charitable status. Due to its charitable status Tai Calon is not liable for Corporation Tax on its core activities.

Provisions

Provisions are recognised where uncertainty exists regarding the timing or amount that may be required to settle potential liabilities. Any amounts provided are charged to the income and expenditure account and credited to the Statement of Financial Position based upon Tai Calon's best estimate of potential liabilities.

Employee Benefits:

The cost of all employee benefits, to which employees have become entitled because of their service to the Association during the reporting period, should be included as a liability.

Pension costs

Tai Calon participates in the Local Government Pension Scheme, a defined benefits scheme managed by Torfaen County Borough Council (Greater Gwent). Contributions are assessed in accordance with the advice of an independent qualified actuary. Certain information concerning the assets, liabilities, income, and expenditure relating to the LGPS scheme are disclosed in accordance with FRS 102.

From July 2018 the LGPS is closed to new entrants; a Defined Contribution Pension Scheme with the Peoples Pension Trust has been put in place for new entrants. The amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs is the contributions payable in the Year.

Loans

Basic financial instruments are recognised at amortised historical cost.

Short Term Debtors

Debtors with no stated interest rate and receivable within one Year are recorded at transaction price. Any losses arising from impairment are recognised in the Income Statement in other operating expenses.

Revaluation Reserve

Housing Land & Buildings were revalued at the 31st March 2014 based on the basis of deemed costs. The valuation based on deemed cost resulted in a Revaluation Reserve of £49.917m being created. Depreciation of the 'Deemed Costs' assets will be funded from the Revaluation Reserve.

Financial Statements

Year ended 31 March 2023

Significant Management Judgements and Key Sources Of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(a) Significant management judgements

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

Impairment of social housing properties

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

(b) Estimation uncertainty

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

Fair value measurement

Management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management base the assumptions on observable data as far as possible but this is only sometimes available. In that case, management uses the best information available. Estimated fair values may vary from the actual process that would be achievable in an arm's length transaction at the reporting date.

Provisions

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

Financial Statements

Year ended 31 March 2023

Defined benefit pension scheme

Tai Calon has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on several factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends.

Tai Calon have carefully considered the extent to which a pension asset should be recognised under accounting standards, which require an entity to limit the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit scheme and the asset ceiling. The asset ceiling is defined to be the present value of the economic benefit available in the form of refunds from the scheme or reductions to future contributions. Under international Financial Reporting Interpretations Committee (IFRIC) guidance 14, a refund is available to an entity if the entity has an unconditional right to such a refund. Management have taken advice to understand the circumstances under which any surplus assets might not be refunded to Tai Calon and have made the judgement that Tai Calon do not have the unconditional right to a refund and therefore has limited the recognition of the pension asset to £2.029m, in line with relevant accounting standards. This surplus asset represents the Net present value of future service cost less present value of future employer contribution over the future working lifetime.

(c) Materiality

Suppose information is misstated, omitted, incorrectly shown, or not disclosed. In that case, it has the potential to influence or change the decisions or judgements taken by most reasonable persons relying on the financial statements or those charged with governance. The Association recognises that any materiality threshold should be based upon what will affect users' decisions. Materiality is a matter of professional judgement influenced by the characteristics of the entity and the perceptions as to who are, or are likely to be, the users of the financial statements and their information needs. The Association considers several quantitative and qualitative judgements in assessing whether a misstatement is material. Separately the Association's Auditors also consider these points.

3. Turnover, operating costs and deficit

	Year Ended 31 st March 2023			Year ended 31 st March 2022		
	Turnover £'000	Operating Costs £'000	Operating Surplus £'000	Turnover £'000	Operating Costs £'000	Operating Surplus £'000
Social Housing Lettings						
General needs housing	29,030	26,323	2,707	27,766	27,003	763
Fully rented housing accommodation	29,030	26,323	2,707	27,766	27,003	763
Garages	39	0	39	40	0	40
Other activities	241	114	127	259	140	119
Total	29,310	26,437	2,873	28,065	27,143	922

Financial Statements

Year ended 31 March 2023

4. Turnover from lettings

General Needs and Sheltered Housing	For the Year ended 31st March 2023	For the Year ended 31st March 2022
	£'000	£'000
Rents receivable	26,544	25,795
Service charges receivable	417	425
Income for Support Services	120	130
Amortisation of Social Housing Grant & Other Government Grants	1,240	1,079
Other Revenue Grants	709	337
Turnover from Social Housing Lettings	29,030	27,766

5. Operating costs from lettings

General needs housing	For the Year ended 31st March 2023	For the Year ended 31 st March 2022
	£'000	£'000
Management costs	8,263	7,447
Service Charge Costs	728	587
Routine Maintenance	8,801	8,103
Major Repairs Expenditure	2,035	3,673
Bad Debts	(5)	159
Depreciation of housing properties	4,654	4,416
Impairment of housing properties	219	671
LGPS Income & Expenditure Charge	1,628	1,947
Operating costs on social housing activities	26,323	27,003
Operating Surplus on social housing lettings	2,707	763
Rent losses due to voids (memorandum note)	224	270

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Year ended 31 March 2023

6. Surplus on disposal of property, plant & equipment

	For the Year ended 31st March 2023	For the Year ended 31 st March 2022
	£'000	£'000
Sale proceeds	673	0
Cost of sales	(121)	0
	<hr/>	<hr/>
Surplus on disposal	552	0
	<hr/>	<hr/>

Welsh Government decided to cease the Right to Buy in January 2019. Tai Ca on have sold 7 properties on the Open Market in the Financial Year ending 31st March 2023.

7. Impatient

Asset component impairments of £400,340 less associated depreciation of £132,154 and grant impairment of £62,466 less associated amortised grant of £13,443 are reflected in the accounts in notes 13 and 15 relating to write offs of components.

8. Operating deficit for the Year

	For the Year ended 31st March 2023	For the Year ended 31 st March 2022
	£'000	£'000
Operating Surplus for the Year is stated after charging:		
Depreciation	4,679	4,505
Amortisation	1,240	1,079
Operating leases – Other	534	406
Bad Debts	(5)	159
Auditor's remuneration (inclusive of VAT):		
in their capacity as auditors	15	15
	<hr/>	<hr/>

Financial Statements

Year ended 31 March 2023

9. Board members and senior executives' emoluments

The remuneration paid to the senior executives of Tai Calon was:

	For the Year ended 31st March 2023	For the Year ended 31 st March 2022
	£'000	£'000
Emoluments (including pension contributions and benefits in kind)*	446	418
Emoluments (excluding pension contributions) paid to the highest paid senior executive	118	112

The Chief Executive is not a member of a Tai Calon Pension Scheme. Tai Calon does not make any further contribution to any individual pension arrangement for the Chief Executive.

The emoluments of non-executive Board Members senior executives, excluding pension contributions, were in the following ranges:

	2023	2022
	No.	No.
£nil	0	0
£1 - £50,000	14	12
£50,001 - £60,000	0	0
£60,001 - £70,000	0	0
£70,001 - £80,000	0	0
£80,001 - £90,000	2	3
£90,001 - £100,000	1	0
£100,001 - £110,000	0	0
£110,001 - £120,000	1	1

	For the Year ended 31st March 2023	For the Year ended 31 st March 2022
	£	£
Prof Sir Adrian Webb (Chair)	12,274	12,000
Katherine Howells (Vice Chair)	8,154	8,000
Kelly Reynolds (Resigned)	0	2,833
Andrea Teague (Resigned)	0	2,112
Ross Maude (Resigned)	0	2,361
Neil Harries (Chair of Audit & Risk Committee)	8,000	8,000
Malcolm Day (Resigned)	833	5,000
Christopher Jofeh	5,068	5,000

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Year ended 31 March 2023

Ian Hughes (Chair of Schedule 1 Committee)	7,013	5,000
Mike Santon (Chair of Homes & Communities Committee)	6,682	5,763
Gareth Davies (Resigned)	833	5,000
Gemma Badham	5,000	5,000
Abhishek Vyas	5,104	2,653
Jenny White	5,000	2,653
Shannon Williams	5,000	2,653
Ellen Jones	4,167	0
Sonia Behr	4,167	0
Sian Nicholas (Independent Committee Member)	2,500	1,875
Brian Pickett (Independent Committee Member)	2,500	1,875
Total	82,295	77,778

10. Employer and employer costs

	For the Year ended 31st March 2023	For the Year ended 31 st March 2022
	£'000	£'000
Staff costs during the Year:		
Wages and Salaries	8,342	7,613
Social security costs	849	750
Other pension costs	2,993	3,219
	12,184	11,582

	For the Year ended 31st March 2023	For the Year ended 31 st March 2022
	No.	No.
Average number of full-time equivalent employees during the Year:		
Management and administration	161	161
Wardens, caretakers, and cleaners	11	14
Housing repair service	84	93
	256	268

Financial Statements

Year ended 31 March 2023

11. Interest and related party transactions

During the Year, Tai Calon provided rented accommodation to three Board members who were tenants of Tai Calon and charged rent to those members on Tai Calon's standard terms. Tenant Board members are unable to use their position to their advantage. Where Board members are Councillors, any transaction with those local authorities is at an arm's length basis and as such Board members are unable to use their position to their advantage.

During the Year the Association provided Interest Free Loans to Employees repayable through salary deductions over 12 months. These are included within the current assets on the Statement of Financial Position.

12. Interest payable and similar charges

	For the Year ended 31st March 2023	For the Year ended 31 st March 2022
	£'000	£'000
Interest payable and similar charges	4,388	4,139
	4,388	4,139

Financial Statements

Year ended 31 March 2023

13. Property, Plant & Equipment – Housing Land & Buildings

	Social Housing properties held for letting	Housing properties in the course of construction	Other Property, Plant & Equipment
	£'000	£'000	£'000
Cost			
As of 1 st April 2022	165,756	3,929	14
Additions during the Year	7,219	1,493	0
Transfer on completion	0	0	0
Impairments during the Year – components	(400)	0	0
Disposal during the Year	(152)	0	0
On 31st March 2023	172,423	5,422	14
Depreciation			
As of 1st April 2022	32,195	0	2
Charge for the Year	4,616	0	1
Transfer on completion			
Impairments during the Year	(132)	0	0
Disposals during the Year	(29)	0	0
On 31st March 2023	36,650	0	3
Net book value			
On 31st March 2023	135,773	5,422	11
As of 1 st April 2022	133,561	3,929	12

Major repairs and investment in existing properties to let during the Year amounted to £7.447 million. This has been accounted for as follows:

	For the Year ended 31 st March 2023 Total £'000	For the Year ended 31 st March 2022 Total £'000
Freehold Property and Land		
Planned maintenance (revenue)	2,035	3,611
Investment (capital)	7,219	9,067
	9,454	12,740
	For the Year ended 31 st March 2023 No.	For the Year ended 31 st March 2022 No.
Units in Management:		
General needs housing properties in management	5,821	5,812
General needs housing properties not in management	40	55
Leasehold management services	333	333
	6,194	6,200

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Year ended 31 March 2023

14. Proper, Plant & Equipment – Other Fixed Assets

	Office premises £'000	Vehicles & office equipment £'000	For the Year ended 31 st March 2023 Total £'000
Cost			
As at 1 st April 2022	2,586	1,281	3,867
Additions during the Year	352	144	496
Disposals during the Year	0	(33)	(33)
At 31st March 2023	2,938	1,392	4,330
Depreciation			
As at 1 st April 2022	1,310	1,107	2,417
Charge for the Year	38	24	62
At 31st March 2023	1,348	1,131	2,479
Net book value			
At 31st March 2023	1,590	261	1,851
As at 1 st April 2022	1,276	177	1,453

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Year ended 31 March 2023

15. Social Housing Grant & Other Government Grants

	Social Housing Grant	SHG In The Course of Construction	ARBED/CESP Grant	For the Year ended 31 st March 2023
	£'000	£'000	£'000	Total £'000
At 1 st April 2022	34,251	2,628	506	37,385
Additions during the Year - components	6,426	1,636	0	8,062
Transfer on completion	0	0	0	0
Impairments during the Year – components	(13)	0	0	(13)
Disposal during the Year – components	(23)	0	0	(23)
At 31st March 2023	40,641	4,264	506	45,411
Amortisation				
At 1 st April 2022	4,287	0	61	4,348
Charge for the Year	1,230	0	10	1,240
Impairments during the Year	(13)	0	0	(13)
Disposals during the Year	(3)	0	0	(3)
At 31st March 2023	5,501	0	71	5,572
Net Book Value				
At 31st March 2023	35,140	4,264	435	39,839
At 1 st April 2022	29,964	2,628	445	33,037

Gap Funding of £4.2m has been received from the Welsh Government during the Year. A total of £3.614 million has been capitalised in the Year. A further £585,997 of grant has been utilised for revenue works in the Year. ARBED and Community Energy Savings Programme (CESP) relates to grant funding provided by Welsh Government aimed at energy efficiency improvements such as external wall improvements and installation of energy efficient boilers.

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Year ended 31 March 2023

The grants are amortised as follows:

	For the Year ended 31st March 2023	For the Year ended 31 st March 2022
	No.	No.
Amounts falling due:		
In one Year or less	1,385	1,247
In five years or more	38,454	31,790
	<hr/> 39,839 <hr/>	<hr/> 33,037 <hr/>

16. Debtor amounts falling due within one Year:

	For the Year ended 31st March 2023	For the Year ended 31 st March 2022
	£'000	£'000
Arrears of rent, water, and service charges	428	350
Less: provision for bad and doubtful debts	(105)	(210)
	<hr/> 323 <hr/>	<hr/> 140 <hr/>
Stock	297	312
Bad Debt Provision - Non Rent Debtors	(63)	(95)
Recoverable VAT	265	838
Debtors	318	437
Prepayments	1,090	1,224
Capital Grant Due	1,435	1,805
Holiday Pay Asset	4	3
WHQS / VAT Shelter	7,945	10,264
Total debtors due within one Year	<hr/> 11,614 <hr/>	<hr/> 14,928 <hr/>

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Year ended 31 March 2023

17. Debtor amounts falling due after more than one Year:

	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
	£'000	£'000
WHQS / VAT Shelter	20,299	18,532
Total debtors due after more than one Year	20,299	18,532

18. Credits: amounts falling due within one Year

	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
	£'000	£'000
Accruals and deferred income	636	619
Capital creditors	24	90
Interest Payable & Similar Charges	380	362
Payroll Creditor	115	463
Rent In Advance	792	859
Maintenance and other supplies	74	30
Grants in Advance	3,138	1,561
Housing Loans	39,698	16,698
Holiday Pay Liability	304	370
WHQS / VAT Shelter	7,945	10,264
	53,106	31,316

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Year ended 31 March 2023

19. Credits: amounts falling due after more than one Year

	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
	£'000	£'000
Housing Loans	26,650	54,098
WHQS / VAT Shelter	20,299	18,532
	<hr/> 46,949	<hr/> 72,630
Loans repayable by instalments fall due as follows:		
In one Year or less	39,698	16,698
	<hr/> 39,698	<hr/> 16,698
In five years or more	26,650	54,098
	<hr/> 66,348	<hr/> 70,796

Tai Calon has a loan facility of £105 million on which loan arrangement fees of 1.25% were incurred. The fees are to be written off over 30 years, being the expected life of the loans agreed. Loans of £12.250 million have been drawn down on a variable rate basis at rates ranging from 0.691% to 4.004% and £50 million has been drawn down on a fixed rate basis at a rate of 4.6%. The loans are secured over the properties held by the Association. Loan interest charged is calculated using the Sterling Overnight Index Average (SONIA) interest rate.

After the Year end the Association refinanced its loan portfolio. This resulted in £27.5 million of existing loans being repaid. This repayment was financed through the new loan facility. These loans have been accounted for as a current liability.

20. Non-equity share capital

	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
	£	£
Shares of £1 issued:		
At 1 st April 2022	553	564
Issued during the Year	3	1
Cancelled during the Year	(1)	(12)
	<hr/> 555	<hr/> 553
At 31st March 2023	555	553

The shares provide members with the right to vote at general meetings. The shares carry no right to a dividend, there is no provision for the redemption of shares and there is no provision for a distribution following a winding up.

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Year ended 31 March 2023

21. Operating leases

At 31st March 2023 Tai Calon had commitments under operating leases as follows:

	For the Year ended 31st March 2023	For the Year ended 31 st March 2022
	£'000	£'000
Motor vehicle and office equipment expiring:		
Within one Year	387	371
Between two and five years	1,161	1,562
	<hr/> 1,547 <hr/>	<hr/> 1,933 <hr/>
Operating lease expensed during the Year	542	415

22. Capital commitments

	For the Year ended 31st March 2023	For the Year ended 31 st March 2022
	£'000	£'000
Capital expenditure contracted but not provided for in the financial statements	14,288	10,812
Capital expenditure authorised by the Board but not contracted	<hr/> 0 <hr/>	<hr/> 0 <hr/>

These capital commitments will be funded by existing loan facilities, and capital grants from the Welsh Government.

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Year ended 31 March 2023

23. Statement of Comprehensive Income Surplus

This Year's surplus of £18.266 million has arisen because of the revaluation of the LGPS past service deficit liability. This combined with the prior Year's results and the £19.216 million actuarial gain on the pension scheme has led to the Association recognising a surplus on its general reserves of £18.266 million. The pension asset of £8.229 million has not been recognised in line with FRS102, instead the Association has recognised a pension asset of £2.029 million, as measured under IFRIC 14.

The funding of major repairs both now and in the future is covered by existing loan facilities' amounting to £105 million, of which £67.5 million has been drawn by the year-end.

The Board has a reasonable expectation that Tai Calon has adequate resources to continue operations for the foreseeable future. The Board has approved a 30-year business plan which shows annual surpluses on the Statement of Comprehensive Income from 2026/27. The deficits in the general reserve are due to significant investment required to the housing stock to meet WHQS, which is funded by a £105 million funding facility from Barclays and Royal Bank of Scotland. Since the transfer Tai Calon has outperformed the approved business plan and borrowed nearly £15 million less than originally planned, for these reasons, the going concern basis has been adopted for these financial statements.

24. Pension costs

Tai Calon participates in the Torfaen County Borough Council (Greater Gwent) pension scheme (LGPS). Further information on the scheme is given below:

Local Government Pension Scheme (LGPS)

Tai Calon Community Housing Ltd participates in the Torfaen County Borough Council (Greater Gwent) pension scheme, which is a defined benefit scheme based on final pensionable salary. Certain employees of Tai Calon participated in the scheme prior to the stock transfer taking place and, as such, assets or liabilities attributable to these individuals were identified at the transfer date, i.e. 26th July 2010. As part of the transfer agreement, liability for the proportion of the debt attributable to these employees that relates to the pre-transfer period rests with Blaenau Gwent County Borough Council.

The gains and losses recognised by Tai Calon therefore relate solely to the period since transfer. The most recent valuation was carried out at the 31st March 2023. Liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities discounted to their present value. Tai Calon's contribution rate from 1st April 2022 to 31st March 2023 was 20.5% of members' contributions due to the closure of the scheme to new entrants. It is Projected that employer contributions of £1.343 million will be made for the forthcoming Year.

Where a pension scheme shows a surplus, accounting standards require the economic benefit of the asset to be calculated. The amount of the asset being recognised has therefore been restricted to reflect the lower of the scheme surplus or the economic benefit achievable through a refund or from payment of future service contributions to the fund being below future expected Current Service Costs.

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Year ended 31 March 2023

The principal assumptions used by the independent qualified actuaries in updating the latest valuations of the fund for FRS102 purposes were:

Employer membership statistics	Number 31st March 2022	Total Salaries / Pensions £'000 31st March 2022	Average Age 31st March 2022
Actives	179	5,483	50
Deferred Pensioners	103	373	49
Pensioners	109	1,025	64

Deferred pensioners included undecided leavers and frozen refunds. Salaried are actual, not full time equivalent.

Payroll	Assumed total pensionable payroll based on information provided
1 st April 2022 to 31 st March 2023	£5,719,000

LGPS early retirements			
New Early Retirements 1st April 2022 to 31st March 2023	Number	Total Pension Accrued £	Total Pension Actual £
Redundancy	0	0	0
Efficiency	0	0	0
Other	0	0	0

Investment Returns	
The return of the Fund in market value terms for the period to 31 st March 2023 is based on actual Fund returns as provided by the Administering Authority. Details are given below:	
Actual Returns from 1 st April 2022 to March 2023	(0.6%)

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Year ended 31 March 2023

The major categories of plan assets as a percentage of total plan assets		
Period Ended	31st March 2023	31st March 2022
Equities	79%	78%
Bonds	17%	18%
Property	3%	3%
Cash	1%	1%

Financial Assumptions		
Period Ended	31st March 2023	31st March 2022
	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.95%	3.15%
Salary Increase Rate	3.45%	3.45%
Discount Rate	4.75%	2.75%

Mortality		
	Male	Female
Current Pensioners	19.3 years	22.2 years
Future Pensioners	20.8 years	24.9 years

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Year ended 31 March 2023

Changes in the Fair Value of Plan Assets, Defined Benefit Obligations and Net Liability for the Year end 31st March 2023			
Period ended 31st March 2023	Assets	Obligations	Net (liability) / asset
	£'000	£'000	£'000
Fair Value of Plan Assets	60,084		60,084
Present Value of funded liabilities		75,643	(75,643)
Opening Position as at 31st March 2022	60,084	75,643	(15,559)
Service Cost			
Current service cost	0	2,556	(2,556)
Past service cost	0	0	0
Total Service Cost	0	2,556	(2,556)
Net Interest			
Interest income on plan assets	1,657	0	1,657
Interest cost on defined benefit obligation	0	2,101	(2,101)
Total Net Interest	1,657	2,101	(444)
Total defined benefit cost recognised in Profit or (Loss)	1,657	4,657	(3,000)
Cashflows			
Plan participants' contributions	387	387	0
Employer contributions	1,372	0	1,372
Estimated Benefits paid	(1,301)	(1,301)	0
Expected Closing Position	62,199	79,386	(17,187)
Remeasurements			
Changes in financial assumptions	0	(30,930)	30,930
Changes in demographic assumptions	0	(3,351)	3,351
Other experience	(1,623)	5,252	(6,875)

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Year ended 31 March 2023

Return on assets excluding amounts included in net interest	(1,888)	0	(1,888)
Total remeasurements recognised in Other Comprehensive Income	3,511	(29,029)	25,518
Fair value of plan assets	58,688	0	58,688
Present value of funded liabilities	0	50,357	(50,357)
Unrecognised Asset			(6,302)
Closing Position as at 31st March 2023	58,688	50,357	2,029

Changes in the Fair Value of Plan Assets, Defined Benefit Obligations and Net Liability for the year-end 31st March 2022			
Period ended 31st March 2022	Assets	Obligations	Net (liability) / asset
	£'000	£'000	£'000
Fair Value of Plan Assets	56,111		56,111
Present Value of funded liabilities		78,802	(78,802)
Opening Position as at 31st March 2021	56,111	78,802	(22,691)
Service Cost			
Current service cost	0	2,809	(2,809)
Past service cost	0	0	0
Total Service Cost	0	2,809	(2,809)
Net Interest			
Interest income on plan assets	1,156	0	1,156
Interest cost on defined benefit obligation	0	1,636	(1,636)
Total Net Interest	1,156	1,636	(480)
Total defined benefit cost recognised in Profit or (Loss)	1,156	4,445	(3,289)

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Cashflows			
Plan participants' contributions	370	370	0
Employer contributions	1,342	0	1,342
Estimated Benefits paid	(1,101)	(1,101)	0
Expected Closing Position	57,878	82,516	(24,638)
Remeasurements			
Changes in financial assumptions	0	(6,568)	6,568
Changes in demographic assumptions	0	(469)	469
Other experience	0	164	(164)
Return on assets excluding amounts included in net interest	2,206	0	2,206
Total remeasurements recognised in Other Comprehensive Income	2,206	(6,873)	9,079
Fair value of plan assets	60,084	0	60,084
Present value of funded liabilities	0	75,643	(75,643)
Unrecognised Asset	0	0	0
Closing Position as at 31st March 2022	60,084	75,643	(15,559)

Financial Statements

Year ended 31 March 2023



Tai Calon

Community Housing

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