



Tai Calon
Community Housing

Financial Statements

Year ending 31st March 2024



Financial Statements

Year ended 31 March 2024

Contents

Board Members & Professional Advisors	3
Strategic Report	4
Corporate Plan	5
Our Performance 2023/24	6
KPI Performance Indicators (KPIs).....	7
Customer Satisfaction – we aim to achieve 90% overall customer satisfaction by 2025.....	8
Assets	9
Development.....	10
Planned Work Programmes.....	10
Decarbonisation - The Optimised Retrofit Programme	11
Fire Safety.....	11
Gas Safety	12
Landlord Health and Safety Audit	12
Risk	12
Governance and Internal Control.....	15
Internal Control.....	15
Financial Performance	17
Statement of Board Responsibilities.....	19
Independent auditor’s report to the members of Tai Calon Community Housing	20
Financial Statements	244
Notes to the Financial Statements.....	29

Financial Statements

Year ended 31 March 2023

Board Members & Professional Advisors

Tenant Board Members

Gemma Badham
Shannon Williams
Jenny White (Resigned March 2024)

Council Board Members

Sonia Behr
Ellen Jones

Independent Board Members

Prof Sir Adrian Webb - Chair
Katherine Howells – Vice Chair (Resigned July 2023)
Ian Hughes
Mike Santon
Neil Harries
Abhishek Vyas
Sian Nicholas (Appointed March 2024)

Co-opted Board Members

Peter Nourse (Appointed June 2023)
Gavin Sargent (Appointed March 2024)

Independent Committee Members

Brian Pickett
Lyndsay Murphy (Appointed March 2024)

Executive Officers

Howard Toplis – Chief Executive
Marty Price – Director of Resources and Company Secretary
Andrew Myatt – Director of Communities & Housing
Richard Hopkins - Director of Assets and Property
Elle Elliot – Director of People & Culture

Registered Office

Solis One, Rising Sun Industrial Estate, Blaina, NP13 3JW

External Auditors

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

Internal Auditors

Forvis 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,
Housing Finance,
7th Floor,
135 Bishopsgate,
London,
EC2M 3UR

Strategic Report

The Board is pleased to present its strategic report, board report, and audited financial statements for Tai Calon Community Housing for the year ended 31st March 2024.

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 5,819 homes, all of which have been brought to the Welsh Housing Quality Standard (WHQS). Most of these homes are three-bedroom houses, some of which have been adapted to help tenants stay 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 4.1% in 2023, slightly above the rest of Wales (3.7%). Average gross weekly earnings were £548, compared to £529 for the previous year. Many of Blaenau Gwent's working residents work outside the borough, which can mean higher travel costs.

Corporate Plan

In 2021, Tai Calon proudly introduced its 2025 Corporate Plan (2021-2025), marking a decade since its inception—a perfect milestone to reassess our future direction.

We're excited to announce that a new Corporate Plan for 2025-2029 is in the works, set to launch in late 2024. The 2025 Corporate Plan outlines 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:

- 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, which is informed by some of the 200 new homes to be developed across the county.

Culture & Values

Our CALON values help to shape our culture and they support our vision and mission. That is why every single business outcome, action and decision is aligned 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 2023/24

Rent
98.9% Collected 2.27% arrears
Repairs
89% Completed to Time 98.00% Appointments Kept Overall satisfaction with repairs 4.67 (CSAT) 93.4%
Empty Homes
34 empty homes on 31st March 2024 47 days is the average time a home for relet is empty 0.72% income loss whilst homes are empty
Compliance
99.94% gas servicing was completed to time 99.91% 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
50,007 customer calls answered 93.3% customer calls answered on time 48 formal complaints received 628 Information complaints received (including CSAT scores of 1) 3,446 compliments received

Financial Statements

Year ended 31 March 2024

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 highlights of the previous year's performance 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 2022/23	Tai Calon 2022/23	Tai Calon 2023/24 (Draft)
Management cost per unit (£)	£1,404	£1,420	£1,570
Routine maintenance cost per unit (£)	£1,392	£1,512	£1,495
Major repairs (capital and revenue) cost per unit (£)	£1,085	£1,590	£1,504
Void loss per social housing unit (£)	£81	£38	£37
Arrears per social housing unit (£)	£299	£74	£63
Operating margin (%)	16.8%	9.8%	19.6%
Gearing (%)	33.7%	49.5%	44.2%
EBITDA MRI Interest Rate Cover (%)	154.1%	97.8%	118.9%
Headline social housing cost per unit (£)	£4,360	£4,926	£5,368
Growth in turnover (%)	5.4%	4.4%	15.5%
Growth in operating costs (%)	8.9%	-2.6%	2.9%
Growth in total fixed assets (%)	4.5%	3%	3.4%
Growth in long term debt (%)	4.4%	-35.4%	67.5%

More information on performance is included in our Annual Review 2023 – 2024.

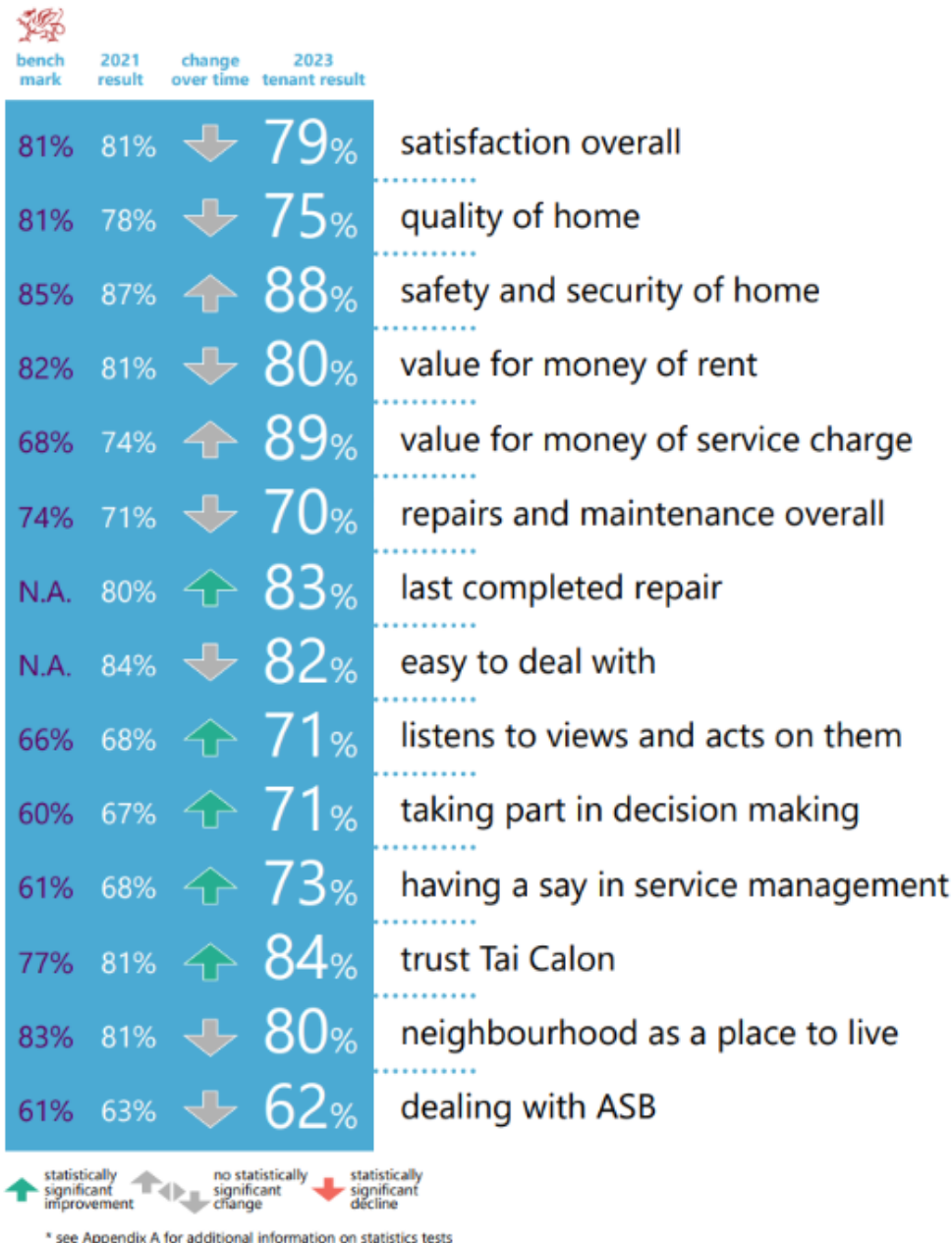
Financial Statements

Year ended 31 March 2024

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

Tai Calon uses various ways to measure customer satisfaction, with one of the key tools being our bi-annual STAR survey.

In the autumn of 2023, we invited all our customers to complete a survey about their experience with Tai Calon, and 818 customers responded.



The results showed that overall satisfaction with Tai Calon's services remained stable compared to the previous year. While we aimed for an improvement, it's important to recognise that the housing sector reported lower satisfaction levels, reflecting a broader trend of declining customer satisfaction across the UK.

Financial Statements

Year ended 31 March 2024

We are delighted to report significant improvements in key customer engagement metrics within the survey, which are now well above benchmark levels.

Additionally, we observed a substantial enhancement in the last completed repair, a crucial driver of customer satisfaction.

We also track customer satisfaction monthly through SMS and email surveys using our Rant and Rave fast feedback platform. Typically, we receive around 800 pieces of feedback each month, consistently achieving a satisfaction score of 90%.

We measure satisfaction across various service areas, including:

- Repairs, Maintenance, and Compliance
- Major Improvement Works
- Customer Services
- Rent Advice and Support
- Housing Management
- Post Move (moving into a new Tai Calon home)

Since implementing this feedback collection method, our average satisfaction scores have risen from 85% in June 2021 to 93% in June 2024.

We've significantly invested in improving our response to poor feedback. In the past 12 months, we've reduced the time taken to address informal complaints and negative feedback from seven days to an average of just three days.

We have been delighted to receive so many compliments from customers, far too many to share them all, however a few are included below:

"To be honest whole experience was stress free, from moment I was offered a property, to moving in, professionally dealt with and everything happened within timescale I was given"

"Gone above and beyond to make sure that I am not struggling and that I will be helped, really appreciate all the support given"

"He came, 4 days earlier than expected. inspected what was needed, went to get the parts, came back & fitted them all within 1 hr".

"All my questions were answered, and I didn't just get a phone call back I had a home visit! Result! I do suffer with anxiety issues that I am working through, with Tai Calon's help & support and I couldn't wish for a better service"

It is common to see an 18-month lag between transactional service surveys, like those conducted via Rant and Rave, and perception-based surveys, such as our STAR survey. Given this and our ongoing commitment to enhancing the customer experience, we are optimistic that our customers' overall perception of satisfaction will improve over the next 12 months as we refine our service delivery.

We also utilise the Institute of Customer Service (ICS) business benchmarking survey to measure our customer satisfaction against sector peers and out-of-sector organisations. In our most recent survey conducted in October 2022, we scored 68.1 out of 100 index points, 10 points below the all-sector average score of 78.4. Our following

Financial Statements

Year ended 31 March 2024

survey is scheduled for May 2024, and reaching the whole sector benchmark level remains a key short- to medium-term goal.

Assets

Effective asset management and reducing the number of empty homes continue to be our top priorities. In addition, building new homes to meet the needs of current and future generations has become an added focus.

Development

Construction is progressing well at the Glanffrwd development in Ebbw Vale. The development will feature 23 energy-efficient homes for social rent, including houses, flats, and bungalows, and is set to be completed in July 2024.

We are pleased to announce that planning approval has been secured for our second development, the Glan-yr-Afon scheme. This project began in April 2024 and will add 14 energy-efficient homes for social rent, comprising houses, flats and bungalows.

Additionally, we are exploring two more development opportunities at Llangynidr Road and Cwmrhydech Court, which could provide an extra 28 units for social rent. These initiatives contribute to our Corporate Plan goal of delivering 67 new homes and obtaining planning permission for 133 new homes at Chartist Way, Waundeg, and Moorland Road by the end of 2025.

Beyond these developments, we have identified an additional 11.98 acres of suitable land within Tai Calon's ownership, which could accommodate approximately 176 new homes.

Our commitment to Active Asset Management remains strong as we evaluate the future of homes once they become vacant. Over the past year, the Active Asset Management Group has reviewed 17 void properties, recommending investment in all 18.

Planned Work Programmes

Investment in customers' homes and neighbourhoods has enabled Tai Calon to maintain the Welsh Housing Quality Standard (WHQS). This has included improvements to windows, external renders, roofing, fire safety works, gardens, and the surrounding environment. Between April 2010 and March 2024, Tai Calon invested over **£138.5 million** in homes and communities.

Tai Calon plans to continue this commitment over the next five years through a comprehensive five-year investment plan aimed at meeting the new WHQS.

This will be achieved via three major works programs:

- Works to Gardens and Boundaries (garden paths, walls, fences, and gates)
- External Works to Homes (windows, doors, fire safety, render and roofing)
- Internal Works to Homes (boilers, electrical wiring, kitchens, and bathrooms)
- Review of St George's Court Refurbishment Program

These initiatives will ensure compliance with Tai Calon's Welsh Housing Quality Standard Compliance Policy while creating new energy pathways to meet the updated WHQS 2024. Please visit our website to learn more about Tai Calon's Welsh Housing Quality Standard Compliance Policy.

Decarbonisation - The Optimised Retrofit Programme

Tai Calon has received a total of £5.6 million in grant funding since 2020 as part of the Welsh Government's Optimised Retrofit Programme (ORP). To date, 422 homes have benefited from Energy Efficiency Measures (EEMs), including the installation of External Wall Insulation (EWI), Photovoltaic (PV) systems with Battery Storage, and Air Source Heat Pumps (ASHPs). We plan to deliver EEMs to an additional 158 homes this year.

The ORP funding aims to enable social landlords to retrofit homes with EEMs. Each home undergoes a Retrofit Assessment to ensure that the measures chosen for individual homes are suitable. This assessment considers the requirements of the entire home from both a technical standpoint and customer comfort.

Additionally, the retrofit assessment helps us identify a home's 'Pathway to Zero,' a roadmap that outlines how the identified measures will improve the home's energy efficiency over time.

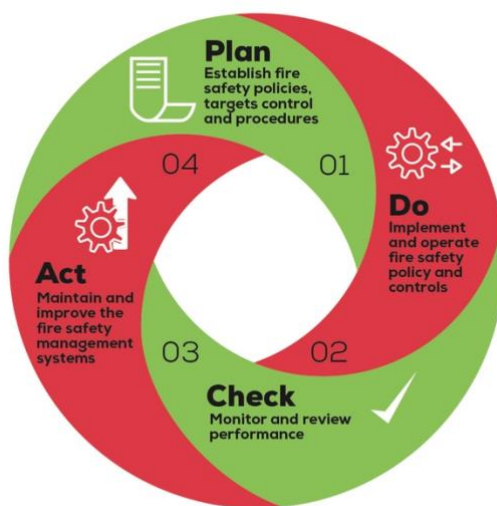
Finally, the performance of these measures is monitored through an in-home Intelligent Energy System (IES), which captures data on energy usage and comfort levels within the home.

Fire Safety

One of Tai Calon's top priorities is preventing fires and minimising risk as a landlord. We ensure all relevant staff receive regular training in fire safety procedures and conduct regular inspections of all applicable areas.

Tai Calon also 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 method, recommended in BS 9997:2019 Fire Risk Management Systems, is an established approach used in many industries for control and continuous improvement.



Performance reports for completing assessments and managing any identified fire risks are also presented to the Executive Team monthly and quarterly to the Health & Safety and Homes & Committee and 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.

Financial Statements

Year ended 31 March 2024

Gas Safety

On average, over the 12 months, the Gas Safety Team for Records and Documentation scored 96%, compared with the National Benchmark average of 84%. Corgi Technical Services Ltd completed a Gas Audit in March 2021.

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 Landlord Gas Safety Records (LGSR) ensures compliance with GSR 36(3c).
3. Completion of work and Documentation

Over the 12 months, the Gas Safety Team for Records and Documentation scored 96%, compared with the National Benchmark average of 84%.

Landlord Health and Safety Audit

Mazars completed a Key Control Health Check (Audit) in October 2023 of the six areas of Landlord Health and Safety and concluded: "control effective" (**Green**) except for two minor recommendations.

Risk

Tai Calon faces various risks and uncertainties in its daily operations. It's crucial for us to identify, consider, and mitigate these risks.

The Welsh Government, as our regulator, also expects our Board to have a thorough understanding of the risks we face and to be confident that we are managing them effectively.

Following our risk management process, we can assess our strengths and weaknesses and develop actions to improve. This process also helps us better understand our operations and the environment in which we work.

On the next page, we've outlined our significant risks, including financial, operational, and regulatory risks.



Financial Statements

Year ended 31 March 2024

Strategic Risk	Inherent Risk	Residual Risk	Residual Risk
A risk that employees, tenants, contractors, and the general 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.	Green
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. There is a robust annual self-assessment process. 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 Tai Calon is unable to maintain high-quality homes that meet tenants' expectations	Amber	The Board agreed to our Asset Management Strategy and plan for 2020/21. We use accurate stock data to model and assess our investment and maintenance needs. Over the past 12 months, we've completed stock condition surveys on 3,800 homes. We also have a Five-year Investment Programme in place. Additionally, we have a governance process for all empty homes to ensure we make the right decisions.	Amber
A 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	Hearing Voice of Customer Strategy in place which combines key areas of our customer experience, measuring satisfaction and communication strategies, with our approach to customer consultation. Performance Management system in place and monitored reviewed regularly by the Homes & Communities Committee. STAR survey identifies some increase in satisfaction but also tenant priorities and areas of dissatisfaction. Rant & Rave is in place to help with customer feedback. Institute of Customer Service support in place. Service standards are in place for a number of key services.	Yellow
Tai Calon's financial stability is impacted due to inadequate technology and fraud prevention measures.	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. Assurance is also gained through the internal audit programme.	Yellow

Financial Statements

Year ended 31 March 2024

<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 and a Development Committee established which includes Board Members with expert experience on developments. Good relationship and communication with Blaenau Gwent County Borough Council. 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, a new loan facility was secured in July 2023.</p>	<p>Yellow</p>
<p>Risk that a 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 data security.</p>	<p>Red</p>	<p>Robust assurance that data protection and security arrangements are in place. We also undertake audits, and our IT department has a series of protections against cyber fraud, such as penetration testing.</p>	<p>Amber</p>

Financial Statements

Year ended 31 March 2024

Governance and Internal Control

Tai Calon is governed by the Board and tenant shareholding members and managed by the Executive Team. The team is responsible for the day-to-day operations and implementation of the Board's decisions.

As a Community Mutual, tenants can become tenant shareholders, and by the end of the year, we had 508 shareholder members.

The Board is responsible for setting our strategic direction, ensuring financial integrity, and providing the resources needed to achieve our goals and service standards.

Here's how our Board is composed:

- Six independent Board members were selected and elected at the Annual General Meeting.
- The tenants of Tai Calon elected three Tenant Board members, and the results were ratified at the Annual General Meeting.
- Two Council-appointed Board members were nominated by Blaenau Gwent County Borough Council.
- Up to three Co-opted members – who may not vote.
- The Board selected two Independent Committee members.

All Board Members, except those co-opted, have voting rights at Board meetings. The Executive Team attends Board meetings but does not vote.

Our Board members collaborate to achieve the Association's aims and objectives, meeting on average eight times a year. They also participate in committees, working groups, and away days as needed.

A Board work plan covers finances, policies, performance monitoring, strategic decisions, and ensuring good governance. This plan includes specific tasks and timelines for each area, ensuring that all aspects of governance are regularly reviewed and updated.

We've adopted the Code of Governance from Community Housing Cymru and comply with all seven principles: Organisational Purpose, Leadership, Integrity, Decision Making (including risk and control), Board Effectiveness, Equality Diversity & Inclusion, Openness (including accountability).

Self-evaluation is essential to us, and we conducted an exercise in 2023/24 that was integral to our corporate planning. During 2022/23, we updated our Standing Orders, Scheme of Delegation, and Governance Framework.

At Tai Calon, our commitment to fairness, equality, and diversity in all our services is a testament to our values. We recognise these principles' significant benefits to our Board, staff, and the community we serve.

Tai Calon has received a positive Regulatory Judgement, a testament to our strong governance and financial management. We have been awarded the highest ratings for both governance and finance, reflecting the trust and confidence our stakeholders can place in us. This, along with positive internal and external audit opinions, further underscores our commitment to robust governance and financial management.

We have an Audit & Risk Committee that meets four times a year to monitor audits, risk management, internal controls, fraud, and financial statements. The Homes & Communities Committee meets quarterly to review service delivery and tenant engagement.

This year, we created a new Development Committee to ensure governance for our expanding development programme. The Remuneration Committee was renamed the People & Culture Committee, with an expanded scope to oversee our People & Culture Strategy and Executive Team appointments.

Financial Statements

Year ended 31 March 2024

In March 2023, we published our Gender Pay Gap Report, a step towards fostering an inclusive, fair, and diverse work environment. We will continue to refine our policies to ensure these values are embedded in all aspects of our operations.

Internal Control

The Board is responsible for ensuring that our business operates effectively. They oversee systems to identify and manage risks, including internal controls to minimize the risk of fraud, corruption, errors, and mismanagement. To support these efforts, the Board has an Anti-Fraud Policy in place.

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:

1. We identified/reviewed our business objectives, possible opportunities, risks, and threats to achieving the goals.
2. Formed/reviewed our framework for managing and identifying risk and
3. They 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 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 receives reports on 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 and external audits to provide reasonable assurance that control procedures are in place and being followed;
- An effective system of monitoring performance in key business areas;
- Effective corporate governance arrangements and compliance with regulatory requirements.

Additional work has been undertaken to provide assurance regarding health and safety responsibilities, including landlord duties, and a peer review has been undertaken.

Tai Calon has received a positive annual internal audit statement and has continued to be supervised by the Executive Team and the Audit and Risk Committee in implementing internal audit recommendations. The Audit and Risk Committee has reviewed this evidence and reported to the Board favourably on the reliability of the system of internal control.

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

Financial Statements

Year ended 31 March 2024

Financial Performance

The 2023/24 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 2024 is a deficit of £1.801 million compared to the previous year's surplus of £18.266 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 asset of £2.029 million has been removed following an Asset Ceiling Adjustment. This movement is recognised in the Statement of Comprehensive Income.

Management has 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 determined to be the present value of the economic benefit 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, 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 by the Welsh Government accounting determination. This requires the statement of both cash flow and free cash flow, which is considered to be a closer definition of operational efficiency.

2023/24 Financial Statement - Results Summary Statement of Comprehensive Income	For the year ended 31 March 2024	For the year ended 31 March 2023	Movement £'000
	£'000	£'000	
Turnover	33,839	29,310	4,529
Operating Expenditure	(27,216)	(26,437)	779
Surplus on disposal of property, plant and equipment	0	522	(522)
Operating Surplus / (Deficit)	6,623	3,425	3,198
Net Interest	(6,058)	(4,375)	1,683
Pension Fund Adjustment	(2,366)	19,216	(21,582)
Net Surplus / (Deficit) on Comprehensive Income for the Year	(1,801)	18,266	(20,067)

Turnover has increased by 15.45% from £29.310 million to £33.839 million, mainly driven by the increase in rents (set by the Board in line with Welsh Government rent policy at 6.5%) and increased revenue grants totalling £2.5 million. The operating surplus is £6.623 million, which is £3.198 million higher than in 2022/23.

The net cost of borrowing was £6.058 million, slightly higher than in the previous year, mainly due to increases in interest rates and the costs relating to the refinance completed in July 2023. Total borrowings increased within the year to £68.4 million at the year-end compared to £67.3 million in 2022/23.

As of 31st March 2024, Tai Calon has £36.6 million of unutilised committed funding facility that, subject to annual covenants, could be drawn upon, adding to the liquidity of the bank's cash, totalling £3.984 million. Our debt ratio

Financial Statements

Year ended 31 March 2024

was 5% at variable and 95% at fixed interest rates, which is compliant with our Treasury Management Strategy. Our covenants in respect of cash flow deficit, asset cover, and debt per unit were all met.

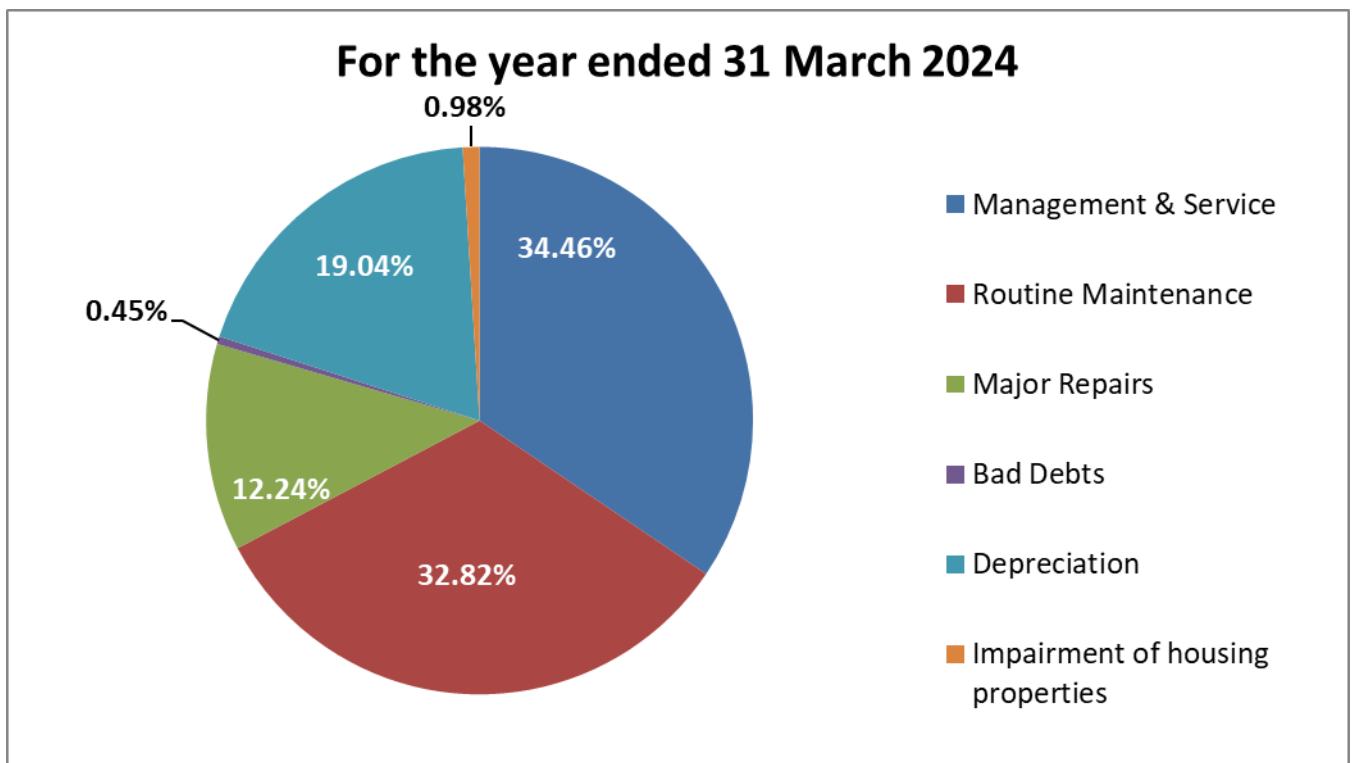
As part of our annual corporate planning process, we have set our 2024/25 Budget and Medium-Term Financial Plan and updated the 30-year Business Plan. Tai Calon completed refinancing its loan facility, enabling considerable growth through development and acquisitions over the life of the Medium-Term Financial Plan.

We continue to improve our housing assets over that period, with significant investment in decarbonisation works and roofing programmes underway. The new funding facility is £105 million, of which £30 million is a revolving credit facility that can be drawn, repaid, and redrawn as required.

The Business Plan, a testament to our commitment, is subject to annual approval by the funders and is reviewed by the Regulator as part of its regulatory judgement. The Plan includes a number of key assumptions such as stock condition survey costs, inflation, and interest rates, rent increases, the impact of welfare reforms, the level of empty homes and management costs. These assumptions are regularly reviewed and sensitivity and scenario analysis 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, thereby ensuring our compliance and the stakeholders' security.

Analysis of Operating Expenditure 2023/24



Financial Statements

Year ended 31 March 2024

Statement of Board Responsibilities

The Board prepares financial statements according to applicable law and the United Kingdom's 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 that offers an accurate and fair view of the state of affairs and the Association's surplus or deficit for that period.

In preparing the financial statement, the Board is required to select suitable accounting policies, as described on pages 29 to 37 and then apply them consistently, making prudent and reasonable judgements and estimates. 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 that disclose our financial position with reasonable accuracy at all times. This also enables the Board to ensure that the financial statements comply with the relevant legislation.

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

The Board is entrusted with the responsibility 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 inform itself of any relevant audit information and establish that the auditors are aware of this information.

Approved on behalf of the Board by:



Professor Sir Adrian Webb, Chair of the Board

Date: 19th July 2024

Financial Statements

Year ended 31 March 2024

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 2024, 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: 19th July 2024

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 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for Opinion

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

Conclusions relating to going concern

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

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

Other Information

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

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

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 2024

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 2024

- 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: 19th July 2024

Financial Statements

Statement of Comprehensive Income

For the year ended 31st March 2024

	Notes	For the year ended 31 st March 2024	For the year ended 31 st March 2023
		£'000	£'000
Turnover	3	33,839	29,310
Operating costs	3	(27,216)	(26,437)
Surplus on disposal of property, plant and equipment	6	0	552
Operating Surplus		6,623	3,425
Interest receivable		64	13
Interest payable and similar charges	12	(6,122)	(4,388)
Surplus (Deficit) on ordinary activities before taxation		565	(950)
Taxation		0	0
Surplus (Deficit) for the year after tax		565	(950)
Changes in pension past service deficit contribution liability on revaluation	25	(2,366)	19,216
Total Comprehensive income (Deficit) for the year		(1,801)	18,266

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 2024

Statement of Changes In Reserve

	Income & Expenditure Reserve £'000	Revaluation Reserve £'000	Total Reserve £'000
For the year ended 31st March 2024			
At 1 st April 2023	(5,236)	45,162	39,926
Surplus (Deficit) from Comprehensive Income	(1,801)	0	(1,801)
Transfer from Revaluation Reserve	353	(353)	0
At 31st March 2024	(6,684)	44,809	38,125

Financial Statements


Year ended 31 March 2024

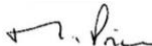
Statement of Financial Position As at 31st March 2024

	Notes	For the year ended 31 st March 2024	For the year ended 31 st March 2023
		£'000	£'000
NON-CURRENT ASSETS / FIXED ASSETS			
Property, Plant & Equipment			
Social Housing Properties	13	145,846	141,195
Other Property, Plant & Equipment	13	10	11
Other Fixed Assets	14	2,014	1,851
		147,870	143,057
Current assets			
Debtors			
Amounts falling due within one year	16	11,127	11,614
Amounts falling due after one year	17	16,020	20,299
Cash at bank and in hand		3,984	2,822
		31,131	34,735
Current liabilities			
Creditors: amounts falling due within one year	18	(16,853)	(53,106)
Social Housing Grant and Other Grants: amounts falling due within one year	15	(1,466)	(1,385)
Net current assets		12,812	(19,756)
Total assets less current liabilities		160,682	123,301
Creditors: amounts falling due after more than one year	19	(78,662)	(46,949)
Social Housing Grant and Other Grants: amounts falling due after one year	15	(43,894)	(38,454)
LGPS Pension Fund Asset/(Liability)	25	0	2,029
Total net assets		38,126	39,927
Capital and reserves			
Share capital	20	1	1
Income & Expenditure Reserve		(6,684)	(5,236)
Revaluation Reserve		44,809	45,162
Total capital and reserves		38,126	39,927

The financial statements were approved by the Board of Management on 19th July 2024 and signed on its behalf by:


Professor Sir Adrian Webb
Chair


M Santon
Vice Chair


M Price
Secretary

Financial Statements

Year ended 31 March 2024

Statement of Cash Flows

for the Year Ended 31st March 2024

	For the year ended 31 March 2024 £'000	For the year ended 31 March 2023 £'000
Operating Surplus / (Deficit)	6,623	3,425
Adjustments for non-cash items		
Depreciation of tangible fixed assets	4,975	4,679
Impairment of tangible fixed assets	261	219
Government grants utilised in the year	(1,412)	(1,240)
Working capital movements		
Decrease in debtors	5,009	1,664
Decrease/ (increase) in operating creditors	(6,020)	764
(Decrease) / increase in provisions	(3)	(137)
Decrease in stock	(243)	15
Pension costs less contributions paid	(337)	1,628
Net cash generated from operating activities	8,853	11,017
Interest received	65	14
Interest paid	(5,926)	(4,370)
Prepaid loan fees	49	52
Component Replacement	(9,765)	(8,904)
Adjustment for reinvesting in existing activities:		
Purchase of tangible fixed assets	(291)	(111)
Free cash generated / (consumed) before loan repayments	(7,015)	(2,302)
Repayment of borrowings	(40,750)	(11,000)
Free cash generated / (consumed) after repayment of borrowings:	(47,765)	(13,302)

Financial Statements

Year ended 31 March 2024

	For the year ended 31 March 2024 £'000	For the year ended 31 March 2023 £'000
Cash flow from investing activities		
Grants received	7,027	7,837
Cash flow from financing activities		
New secured loans and drawdowns from existing revolving credit facilities	<u>41,900</u>	6,500
Net (decrease) / increase in cash and cash equivalents	1,162	1,035
Cash and cash equivalents at the beginning of the year	<u>2,822</u>	1,787
Cash and cash equivalents at the end of the year	3,984	2,822
b. Reconciliation of cash inflow to movement in net debt		
	For the year ended 31 March 2024 £'000	For the year ended 31 March 2023 £'000
Increase/(Decrease) in cash and cash equivalents	1,162	1,035
(Decrease)/Increase in loans	(1,150)	4,500
Decrease/(Increase) in net debt	12	5,535
Net debt as at 1st April 2023	<u>(64,428)</u>	(69,963)
Net debt at 31st March 2024	(64,416)	(64,428)

	Cash at bank and in hand £'000	Loans £'000	Changes in net debt £'000
c. Analysis of net debt			
At 1 st April 2023	2,822	67,250	(64,428)
Net cash flows	<u>1,162</u>	(1,150)	12
At 31 st March 2024	3,984	(68,400)	(64,416)

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 is able to 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).

Financial Statements

Year ended 31 March 2024

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.

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 is 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.

Financial Statements

Year ended 31 March 2024

Interest payable

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

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 in excess of 10 years are capitalised and depreciated over the useful life of the component as follows:

Financial Statements

Year ended 31 March 2024

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

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

Financial Statements

Year ended 31 March 2024

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.

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 on the basis of work done at the date the financial statements are prepared.

Financial Statements

Year ended 31 March 2024

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.

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 as a result of their service to the Association during the reporting period, should be included as a liability.

Financial Statements

Year ended 31 March 2024

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.

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.

Financial Statements

Year ended 31 March 2024

Impairment of social housing properties

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

(b) Estimation uncertainty

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

Fair value measurement

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

Provisions

Provisions 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.

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 a number of 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 removed the pension asset, in line with relevant accounting standards. The adjustment to the asset represents the Asset Ceiling applied to Net present value of future service cost less present value of future employer contribution over the future working lifetime.

Financial Statements

Year ended 31 March 2024

c) Materiality

If information is misstated, omitted, incorrectly shown, or not disclosed, it has the potential to influence or change the decisions or judgements taken by the majority of 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 gives consideration to a number of 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 2024			Year ended 31 st March 2023		
	Turnover £'000	Operating Costs £'000	Operating Surplus £'000	Turnover £'000	Operating Costs £'000	Operating Surplus £'000
Social Housing Lettings						
General needs housing	33,555	27,019	6,536	29,030	26,323	2,707
Fully rented housing accommodation	33,555	27,019	6,536	29,030	26,323	2,707
Garages	39	0	39	39	0	39
Other activities	245	197	48	241	114	127
Total	33,839	27,216	6,623	29,310	26,437	2,873

4. Turnover from lettings

General Needs and Sheltered Housing	For the year ended 31 st March 2024	For the year ended 31st March 2023
	£'000	£'000
Rents receivable	28,390	26,544
Service charges receivable	419	417
Income for Support Services	130	120
Amortisation of Social Housing Grant & Other Government Grants	1,412	1,240

Financial Statements

Year ended 31 March 2024

Other Revenue Grants	3,204	709
Turnover from Social Housing Lettings	33,555	29,030

5. Operating costs from lettings

	For the year ended 31st March 2024	For the year ended 31 st March 2023
	£'000	£'000
General needs housing		
Management costs	9,133	8,263
Service Charge Costs	1,052	728
Routine Maintenance	8,697	8,801
Major Repairs Expenditure	3,245	2,035
Bad Debts	120	(5)
Depreciation of housing properties	4,848	4,654
Impairment of housing properties	261	219
LGPS Income & Expenditure Charge	(337)	1,628
Operating costs on social housing activities	27,019	26,323
Operating Surplus on social housing lettings	6,536	2,707
Rent losses due to voids (memorandum note)	214	224

6. Surplus on disposal of property, plant & equipment

	For the year ended 31st March 2024	For the year ended 31 st March 2023
	£'000	£'000
Sale proceeds	0	673
Cost of sales	0	(121)
Surplus on disposal	0	552

Financial Statements

Year ended 31 March 2024

Welsh Government decided to cease the Right to Buy in January 2019. Tai Calon have not sold any properties on the Open Market in the Financial Year ending 31st March 2024.

7. Impairment

Asset component impairments of £679,670 less associated depreciation of £325,450 and grant impairment of £122,875 less associated amortised grant of £28,942 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 2024	For the year ended 31 st March 2023
	£'000	£'000
Operating Surplus for the year is stated after charging:		
Depreciation	4,975	4,679
Amortisation	1,412	1,240
Operating leases – Other	517	534
Bad Debts	120	(5)
Auditor's remuneration (inclusive of VAT):		
in their capacity as auditors	26	15
	<hr/>	<hr/>

9. Board members and senior executives' emoluments

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

	For the year ended 31st March 2024	For the year ended 31 st March 2023
	£'000	£'000
Emoluments (including pension contributions and benefits in kind)*	555	446
Emoluments (excluding pension contributions) paid to the highest paid senior executive	130	118
	<hr/>	<hr/>

Financial Statements

Year ended 31 March 2024

The Chief Executive is a member of a Tai Calon Pension Scheme.

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

	2024	2023
	No.	No.
£nil	0	0
£1 - £50,000	14	14
£50,001 - £60,000	0	0
£60,001 - £70,000	0	0
£70,001 - £80,000	1	0
£80,001 - £90,000	0	2
£90,001 - £100,000	3	1
£100,001 - £110,000	0	1
£110,001 - £120,000	0	1
£120,001 - £130,000	1	0

Financial Statements

Year ended 31 March 2024

In September 2018 the Board approved the remuneration of Board members. The emoluments including expenses of non-executive Board Members were as follows:

	For the year ended 31ST March 2024 £	For the year ended 31st March 2023 £
Prof Sir Adrian Webb (Chair)	12,314	12,274
Katherine Howells (Vice Chair)	2,731	8,154
Neil Harries (Chair of Audit & Risk Committee)	8,011	8,000
Malcolm Day (Resigned)	0	833
Christopher Jofeh	264	5,068
Ian Hughes (Chair of Schedule 1 Committee)	6,201	7,013
Mike Santon (Chair of Homes & Communities Committee)	7,585	6,682
Gareth Davies (Resigned)	0	833
Gemma Badham	5,000	5,000
Abhishek Vyas	5,032	5,104
Jenny White	4,624	5,000
Shannon Williams	5,804	5,000
Ellen Jones	5,000	4,167
Sonia Behr	5,000	4,167
Sian Nicholas (Independent Committee Member)	2,575	2,500
Brian Pickett (Independent Committee Member)	2,500	2,500
Peter Nourse	4,127	0
Gavin Sargent	94	0
Lindsay Murphy	47	0
Total	76,909	82,295

Financial Statements

Year ended 31 March 2024

10. Employee and employer costs

	For the year ended 31st March 2024	For the year ended 31 st March 2023
	£'000	£'000
Staff costs during the year:		
Wages and Salaries	8,834	8,342
Social security costs	869	849
Other pension costs	1,096	2,993
	<hr/> 10,799 <hr/>	<hr/> 12,184 <hr/>

	For the year ended 31st March 2024	For the year ended 31 st March 2023
	No.	No.
Average number of full-time equivalent employees during the year:		
Management and administration	165	161
Wardens, caretakers, and cleaners	13	11
Housing repair service	86	84
	<hr/> 264 <hr/>	<hr/> 256 <hr/>

11. Interests and related party transactions

During the year, Tai Calon provided rented accommodation to four 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.

Financial Statements

Year ended 31 March 2024

12. Interest payable and similar charges

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
	£'000	£'000
Interest payable and similar charges	6,122	4,388
	<u>6,122</u>	<u>4,388</u>

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

	Social Housing properties held for letting £'000	Housing properties in the course of construction £'000	Other Property, Plant & Equipment £'000
Cost			
As at 1 st April 2023	172,423	5,422	14
Additions during the year	5,504	4,348	0
Transfer on completion	0	0	0
Impairments during the year – components	(680)	0	0
Disposal during the year	0	0	0
At 31st March 2024	<u>177,247</u>	<u>9,770</u>	<u>14</u>
Depreciation			
As at 1 st April 2023	36,650	0	3
Charge for the year	4,846	0	1
Transfer on completion			
Impairments during the year	(325)	0	0
At 31st March 2024	<u>41,171</u>	<u>0</u>	<u>4</u>
Net book value			
At 31st March 2024	<u>136,076</u>	<u>9,770</u>	<u>10</u>
As at 1 st April 2023	<u>135,773</u>	<u>5,422</u>	<u>11</u>

Financial Statements

Year ended 31 March 2024

Major repairs and investment in existing properties to let during the year amounted to £8.749 million. This has been accounted for as follows:

	For the year ended 31st March 2024 Total £'000	For the year ended 31st March 2023 Total £'000
Freehold Property and Land		
Planned maintenance (revenue)	3,245	2,035
Investment (capital)	5,504	7,219
	<hr/> 8,749 <hr/>	<hr/> 9,254 <hr/>

	For the year ended 31st March 2024 No.	For the year ended 31st March 2023 No.
Units in Management:		
General needs housing properties in management	5,819	5,821
General needs housing properties not in management	42	40
Leasehold management services	333	333
	<hr/> 6,194 <hr/>	<hr/> 6,194 <hr/>

Financial Statements

Year ended 31 March 2024

14. Property, Plant & Equipment – Other Fixed Assets

	Office premises £'000	Vehicles & office equipment £'000	For the year ended 31 st March 2024 Total £'000
Cost			
As at 1 st April 2023	2,938	1,392	4,330
Additions during the year	251	40	391
Disposals during the year	0	0	0
At 31st March 2024	3,189	1,432	4,621
Depreciation			
As at 1 st April 2023	1,348	1,131	2,479
Charge for the year	49	79	128
At 31st March 2024	1,397	1,210	2,607
Net book value			
At 31st March 2024	1,397	222	2,607
As at 1 st April 2023	1,590	261	1,851

Financial Statements

Year ended 31 March 2024

15. Social Housing Grant & Other Government Grants

	Social Housing Grant	SHG In The Course of construction	Other Government Grants	ARBED /CESP Grant	For the year ended 31 st March 2024 Total £'000
	£'000	£'000	£'000	£'000	£'000
At 1 st April 2023	40,641	4,264	0	506	45,411
Additions during the year – components	3,944	3,083	0	0	7,027
Transfer		(225)	225	0	0
Impairments during the year – components	(118)	0	0	0	(118)
Disposal during the year – components	0	0	0	(5)	(5)
At 31st March 2024	44,467	7,122	225	501	52,315
Amortisation					
At 1 st April 2023	5,501	0	0	71	5,572
Charge for the year	1,397	0	5	10	1,412
Impairments during the year	(29)	0	0	0	(29)
Disposals during the year	0	0	0	0	0
At 31st March 2024	6,869	0	5	81	6,955
Net Book Value					
At 31st March 2024	37,598	7,122	220	420	45,360
At 1 st April 2023	35,140	4,264	0	435	39,839

Gap Funding of £4.2m has been received from the Welsh Government during the year. A total of £1.356 million has been capitalised in the year. A further £2.844 million 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.

Financial Statements

Year ended 31 March 2024

The grants are amortised as follows:

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
	No.	No.
Amounts falling due:		
In one year or less	1,466	1,385
In five years or more	43,894	38,454
	<hr/>	<hr/>
	45,360	39,839
	<hr/>	<hr/>

16. Debtors: amounts falling due within one year:

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
	£'000	£'000
Arrears of rent, water and service charges	367	428
Less: provision for bad and doubtful debts	(133)	(105)
	<hr/>	<hr/>
	234	323
Stock	540	297
Bad Debt Provision - Non Rent Debtors	(32)	(63)
Recoverable VAT	261	265
Debtors	209	318
Prepayments	1,203	1,090
Capital Grant Due	370	1,435
Holiday Pay Asset	5	4
WHQS / VAT Shelter	8,337	7,945
	<hr/>	<hr/>
Total debtors due within one year	11,127	11,614

Financial Statements

Year ended 31 March 2024

17. Debtors: amounts falling due after more than one year:

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
	£'000	£'000
Leaseholder Debtor	6	0
Pension Bond	1,500	0
WHQS / VAT Shelter	14,514	20,299
Total debtors due after more than one year	16,120	20,299

18. Creditors: amounts falling due within one Year

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
	£'000	£'000
Accruals and deferred income	640	636
Capital creditors	109	24
Interest Payable & Similar Charges	576	380
Payroll Creditor	40	115
Rent In Advance	680	792
Maintenance and other supplies	274	74
Grants in Advance	2,565	3,138
Housing Loans	3,327	39,698
Holiday Pay Liability	305	304
WHQS / VAT Shelter	8,337	7,945
	16,853	53,106

Grants in advance are grants received in the year that have not been fully utilised and carried forward into next year.

Financial Statements

Year ended 31 March 2024

19. Creditors: amounts falling due after more than one year

	For the year ended 31st March 2024	For the year ended 31 st March 2023
	£'000	£'000
Housing Loans	64,418	26,650
WHQS / VAT Shelter	14,514	20,299
	<hr/> 78,662 <hr/>	<hr/> 46,949 <hr/>
 Loans repayable by instalments fall due as follows:		
In one year or less	<hr/> 3,327 <hr/>	<hr/> 39,698 <hr/>
	3,327	39,698
In five years or more	<hr/> 64,148 <hr/>	<hr/> 26,650 <hr/>
	<hr/> 67,475 <hr/>	<hr/> 66,348 <hr/>

Tai Calon refinanced its loan facilities during the year, the facility still stands at £105 million and is divided between fixed rate and variable rate borrowings.

Fixed Rate Borrowings:

Prior to refinancing, fixed rate borrowings varied from 1.90% to 4.96% (excluding any margin). Following refinancing, fixed rate borrowings varied from 1.39% to 4.97% (excluding any margin).

Variable Rate Borrowings:

Prior to refinancing the variable SONIA Rate ranged from 4.17% to 4.9% (excluding credit adjustment spread and margin). Following refinancing the variable SONIA rate was at 5.2% (excluding any margin)

Financial Statements

Year ended 31 March 2024

20. Non-equity share capital

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
	£	£
Shares of £1 issued:		
At 1 st April 2023	555	553
Issued during the year	3	3
Cancelled during the year	(50)	(1)
At 31st March 2024	508	555

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.

21. Operating leases

At 31st March 2024 Tai Calon had commitments under operating leases as follows:

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
	£'000	£'000
Motor vehicle and office equipment expiring:-		
Within one year	387	387
Between two and five years	774	1,161
	1,160	1,547
Operating lease expensed during the year	522	542

22. Capital commitments

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
	£'000	£'000
Capital expenditure contracted but not provided for in the financial statements	9,457	14,288
Capital expenditure authorised by the Board but not contracted	0	0

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

23. Contingent Liability – Electrical Condition Reports (ECR) and Confirmation of (Electrical) Work

In March 2024 Tai Calon became aware that it may not have been fully compliant with potential legal obligations arising under the Renting Homes (Wales) Act 2016 (“the Act”) and the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022 (as amended) (“the Regulations”) at the year end. On identification of the issue, immediate steps were taken to ensure compliance with legal obligations as Tai Calon is currently able to understand them. Following legal advice, Tai Calon along with other Registered Social Landlords have issued a claim in the High Court to seek a series of declarations as to the correct meaning and interpretation of the potential obligations. Tai Calon has assessed that the likelihood of an outflow of resources to settle this potential liability following the legal proceedings is less than probable but (acknowledging the inherent uncertainty with such legal proceedings) is more than remote.

A high level of uncertainty remains because the interpretation of the requirements under the Act and Regulations needs clarification which will only be possible following determination of the proceedings that are currently before the High Court, hence any financial effect cannot currently be measured with sufficient reliability at this time.

24. Statement of Comprehensive Income Surplus

This year's deficit of £1.801 million has arisen as a result of the revaluation of the LGPS past service deficit liability. This combined with the prior year's results and the £2.366 million actuarial loss on the pension scheme has led to the Association recognising a deficit on its general reserves of £1.801 million. The pension asset of £15.369 million has not been recognised in line with FRS102, instead the Association has applied an asset ceiling, 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 £68.4 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 2025/27. 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 £20 million less than originally planned, for these reasons, the going concern basis has been adopted for these financial statements.

Financial Statements

Year ended 31 March 2024

25. 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 2024. 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 2023 to 31st March 2024 was 20.5% of members' contributions due to the closure of the scheme to new entrants. It is projected that employer contributions of £1.413 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.

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. Salaries are actual, not full time equivalent.

Payroll	Assumed total pensionable payroll based on information provided
1 st April 2023 to 31 st March 2024	£5,815,000

Financial Statements

Year ended 31 March 2024

LGPS early retirements			
New Early Retirements 1st April 2023 to 31st March 2024	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 2024 is based on actual Fund returns as provided by the Administering Authority. Details are given below:	
Actual Returns from 1 st April 2023 to March 2024	(12.8%)

The major categories of plan assets as a percentage of total plan assets		
Period Ended	31st March 2024	31st March 2023
Equities	74%	79%
Bonds	17%	17%
Property	6%	3%
Cash	3%	1%

Financial Assumptions		
Period Ended	31st March 2024 % p.a.	31st March 2023 % p.a.
Pension Increase Rate (CPI)	2.75%	2.95%
Salary Increase Rate	3.25%	3.45%
Discount Rate	4.85%	4.75%

Mortality		
	Male	Female
Current Pensioners	19.1 years	22.0 years
Future Pensioners	20.6 years	24.7 years

Changes in the Fair Value of Plan Assets, Defined Benefit Obligations and Net Liability for the year end

Financial Statements

Year ended 31 March 2024

31st March 2024				
Period ended 31st March 2024	Assets £'000	Obligations £'000	Effect of asset ceiling on net asset/liability (£000)	Net (liability) / asset £'000
Fair Value of Plan Assets	58,586			58,586
Present Value of funded liabilities		50,357		(50,357)
Effect of the asset ceiling			(6,200)	(6,200)
Opening Position as at 31st March 2023	58,586	50,357	(6,200)	2,029
Service Cost				
Current service cost	0	1,157		(1,157)
Past service cost	0	0		0
Total Service Cost	0	1,157		(1,157)
Net Interest				
Interest income on plan assets	2,788	0		2,788
Interest cost on defined benefit obligation	0	2,391		(2,391)
Interest on the effect of the asset ceiling			(295)	(295)
Total Net Interest	2,788	2,391	(295)	(102)
Total defined benefit cost recognised in Profit or (Loss)	2,788	3,548	(295)	(1,055)
Cashflows				
Participants' contributions	386	386		0
Employer contributions	1,392	0		1,392
Benefits paid	(1,565)	(1,565)		0
Expected Closing Position	61,587	52,726	(6,495)	2,366
Remeasurements				
Changes in financial assumptions		(3,282)		3,282
Changes in demographic assumptions				
Other experience		(298)		298
		1,481		(1,481)
Return on assets excluding amounts included in net interest	4,711			4,711
Changes in the effect of the asset ceiling			6,495	6,495
Total remeasurements recognised in Other Comprehensive Income	4,711	(2,099)	6,495	13,305
Fair value of plan assets	66,298	0		66,298
Present value of funded liabilities	0	50,627		(50,627)
Unrecognised Asset				
Closing Position as at 31st March 2024	66,298	50,627	0	15,671

Financial Statements

Year ended 31 March 2024

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 £'000	Obligations £'000	Net (liability) / asset £'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)
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	0	0	(6,302)
Closing Position as at 31st March 2023	58,688	50,357	2,029



Visit our offices or write to us at:
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Email us: talktous@taicalon.org
Find us on the web at: www.taicalon.org

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