

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**Co-operative and Community Benefit Societies Registered Number: 30399R**

**Welsh Government Registration Number: L145**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2015**

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2015**

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**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**  
**BOARD OF MANAGEMENT, SENIOR EXECUTIVES AND ADVISORS**

**BOARD OF MANAGEMENT:**

**Voting members**

Ms J Haigh	Group Chair
Mrs M Davies	Group Vice Chair
Mr T J Jones	
Mr H Patrick MBE	
Mr D Roberts	
Mr A Rawlins	
Mrs G Williams	
Mr J Saunders	
Mr N Isherwood (appointed 2 September 2014)	
Mr A Dakin (resigned 2 September 2014)	
Mr P Andric (resigned 24 March 2015)	

**Co-optees**

Ms M Smith  
Ms J Nicholas  
Mr J Fitzgerald (resigned 2 September 2014)

**SENIOR EXECUTIVES:**

Ms M Reid	Group Chief Executive and Secretary
Mr K Barry	Group Director of Service Delivery
Mrs A Williams	Group Director of Corporate Services

**AUDITOR:**

BDO LLP  
Bridgewater House  
Finzels Reach  
Counterslip  
Bristol  
BS1 6BX

**BANKERS:**

Barclays  
Cardiff

**SOLICITORS:**

Hugh James  
Morgan La Roche  
Swansea

## **CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

### **BOARD OF MANAGEMENT'S REPORT YEAR ENDED 31 MARCH 2015**

The Board of Management present the financial statements for the year ended 31 March 2015.

#### **RESULTS**

The surplus on ordinary activities for the group was £407,238 (2014 - £851,058). The financial statements have been drawn up under the terms of the Statement of Recommended Practice (SORP) "Accounting by registered social housing providers: Update 2010" and comply with the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2009.

#### **REVIEW OF THE OPERATIONS**

The principal activity of the Association continues to be that of developing and managing good quality rented accommodation within the County of Rhondda Cynon Taf, for people in necessitous circumstances upon terms that are appropriate to their means.

Through Care & Repair Rhondda Cynon Taf Limited, the group also helps older and disabled people to improve or maintain a suitable home environment by enabling repairs, improvements and adaptations to be carried out.

The total units under management at the year-end were 1,847 (2014 - 1,850). The Association has a small but ongoing development programme, whilst continuing to improve the quality of service delivered to tenants and applicants.

For further information please see the Annual Report.

#### **THE BOARD OF MANAGEMENT AND SENIOR EXECUTIVES**

The Board of Management and Senior Executives who served during the year are listed on page 1.

The Senior Executives of the Association hold no interest in the Association's share capital. The Senior Executives, although they do not have the legal status of directors, act as executives within the authority delegated by the Board.

#### **FIXED ASSETS**

Changes in tangible fixed assets are shown in notes 7 and 8 to the financial statements.

The Board of Management has not considered it appropriate to re-value the housing properties but consider that the vacant possession market value would be in excess of the net book value.

In the opinion of the Board of Management the market value of the Association's freehold offices is in excess of the net book value shown in note 8 to the financial statements.

#### **EMPLOYEES**

The Association's intention is to be an employer of choice offering staff training openings and career advancement against a background of continuing commitment of equality of opportunity in employment and access to services.

## **CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

### **BOARD OF MANAGEMENT'S REPORT YEAR ENDED 31 MARCH 2015**

#### **CORPORATE GOVERNANCE**

Cynon Taf Community Housing (2007) Limited is governed by a Board of Management and complies with the Community Housing Cymru's Code of Governance. The Board comprises 11 Non Executive Board members. The Board reviews its own performance regularly in order to identify where additional experience may be needed. All Board members sign a Declaration confirming their compliance with the Association's Disclosure Requirements and legal provisions.

The Board is ultimately responsible for strategy and control of the Group. The Board has delegated responsibility for internal audit and internal control to the Audit Committee.

Day to day operational control of the Group is delegated to the Group Chief Executive and two Directors, who are appointed on standard contracts of employment in common with all the staff. The remuneration of the Executive and Directors conforms to a standard salary scale which is reviewed annually.

The Board has appointed The Internal Audit Association as internal auditors. Whilst the internal audit work has not revealed any major areas of weakness, it has led to a number of recommendations which has enabled the Group to improve its system of internal control.

In line with corporate governance requirements the Board is confident that the Association and Group have adequate resources to continue in existence for the foreseeable future, and accordingly continues to adopt the going concern basis in preparing the financial statements.

#### **DONATIONS**

Charitable donations amounted to £6,000 (2014 - £6,000). There were no political donations.

#### **INSURANCE EFFECTED FOR OFFICERS AND BOARD**

The Association has maintained professional indemnity insurance for the officers and Board during the year.

#### **ANNUAL MEETING**

The annual meeting of the Association will be held on Thursday 20 August 2015 at Pontypridd Rugby Club, starting at 11.00am.

By order of the Board of Management



**M Reid**  
Group Chief Executive and Secretary

## **CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

### **STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITIES**

Co-operative and Community Benefit Society law and social housing legislation require the Board Members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Board Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Association and the Group and of the surplus or deficit of the association for that period.

In preparing these financial statements, the Board Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers (Update 2010) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The Board Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and the Group and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlord's Determination (Wales) 2009. They are also responsible for safeguarding the assets of the Association and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board Members are responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers (Update 2010).

Financial statements are published on the Association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Association's website is the responsibility of the Board Members. The Board Members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**BOARD STATEMENT ON INTERNAL CONTROLS**

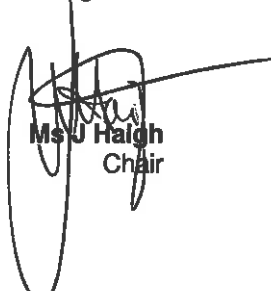
Cynon Taf Community Housing (2007) Limited is committed to meeting high standards of corporate governance. The Group Board recognises and accepts that it is responsible for the Group's system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, not absolute, assurance against misstatement or loss.

The following mechanisms are in place, which are designed to provide effective internal control:

- Clearly defined management and reporting structures;
- Careful recruitment and training programmes;
- Financial regulation, standing orders and policies;
- Management information and accounting systems with quarterly reporting of financial results and other performance indicators compared to forecasts;
- Risk Management Strategy;
- Asset Management Strategy;
- IIP and Chartermark Accreditation;
- Whistle Blowing Policy;
- Complaints/Customer Care Policy;
- Tenant Participation Strategy and Active Tenants Forum (including Mystery Shoppers);
- Close working relationship with the Welsh Government, Rhondda Cynon Taf County Borough Council and Cwm Taf Health Board;
- Self Assessment Plan under the Welsh Government Regulatory Framework;
- During the year we reviewed the following key policies and procedures:
  - Financial Regulations
  - Schedule of Delegated Authority
  - Risk Management Framework
  - Treasury Management Policy and Procedure
- The internal control framework is subject to regular review by an internal audit consultant who is responsible for providing independent assurance to the Board through its Audit Committee and during the year no significant issues were identified.

The Board has reviewed the effectiveness of the Association's internal controls for the year ended 31 March 2015.

By order of the Board of Management



**Ms J Haigh**  
Chair

## **CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

We have audited the financial statements of Cynon Taf Community Housing (2007) Limited ("the Association") for the year ended 31 March 2015 which comprise the consolidated and Association's income and expenditure accounts, the consolidated and Association's balance sheets, the consolidated cash flow statement and the 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).

This report is made solely to the Association's members, as a body, in accordance with Section 87 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.

#### **Respective responsibilities of the board and auditor**

As explained more fully in the statement of the Board of Management's responsibilities, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31 March 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlord's General Determination (Wales) 2009.

#### **Opinion on other matters prescribed by housing association circular RSL 02/10: Internal controls and reporting**

With respect to the Board's statement on internal controls on page 5, in our opinion:

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



**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- the information given in the Board of Management's Report for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- a satisfactory system of control has not been maintained over transactions; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**BDO LLP**

**BDO LLP**  
Statutory auditor  
Bristol, UK

27 July 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**  
**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
<b>TURNOVER</b>	2	<b>9,174,164</b>	8,619,020
Less: Operating costs	2	<b>(7,877,428)</b>	(7,087,228)
<b>OPERATING SURPLUS</b>	5	<b>1,296,736</b>	1,531,792
Surplus on sale of fixed assets		2,352	201,754
Interest receivable		1,531	652
Interest payable	6	<b>(893,381)</b>	(883,140)
<b>SURPLUS ON ORDINARY ACTIVITIES</b>	18	<b>407,238</b>	851,058

The results relate wholly to continuing activities and there are no recognised gains or losses for the period other than the profit and loss.

**ASSOCIATION INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £	2014 £
<b>TURNOVER</b>	<b>8,275,229</b>	7,810,732
Less: Operating costs	<b>(6,993,189)</b>	(6,279,118)
<b>OPERATING SURPLUS</b>	<b>1,282,040</b>	1,531,614
Surplus on sale of fixed assets	2,352	201,754
Interest receivable	1,376	344
Interest payable	<b>(893,381)</b>	(883,140)
<b>SURPLUS ON ORDINARY ACTIVITIES</b>	<b>392,387</b>	850,572

The results relate wholly to continuing activities and there are no recognised gains or losses for the period other than the profit and loss.


The notes on pages 13 to 25 form part of these financial statements.

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2015**

	Note	2015 £	2015 £	2014 £	2014 £
<b>FIXED ASSETS</b>					
Tangible assets					
Housing properties at depreciated cost	7(a)		92,101,989		91,013,945
Less: Social Housing Grant	7(b)		(55,488,408)		(54,843,106)
Less: Other Public Grants	7(c)		(1,939,065)		(2,032,828)
			<hr/>		<hr/>
Other tangible fixed assets	7(d) 8		34,674,516 1,528,900		34,138,011 1,608,944
			<hr/>		<hr/>
			36,203,416		35,746,955
Other Non-Current Assets					
Low Cost Home Ownership Loans	9		576,053		576,053
Less: Social Housing Grant	9		(318,520)		(318,520)
			<hr/>		<hr/>
			257,533		257,533
			<hr/>		<hr/>
			36,460,949		36,004,488
<b>CURRENT ASSETS</b>					
Stock		19,209		8,354	
Debtors	11	779,155		544,347	
Cash at bank and in hand		1,089,569		2,454,925	
		<hr/>		<hr/>	
		1,887,933		3,007,626	
<b>CREDITORS – amounts falling due within one year</b>	12	(4,897,451)		(4,706,357)	
		<hr/>		<hr/>	
<b>NET CURRENT LIABILITIES</b>			(3,009,518)		(1,698,731)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<hr/>		<hr/>
			33,451,431		34,305,757
<b>CREDITORS – amounts falling due after more than one year</b>	13		(23,587,952)		(24,849,490)
			<hr/>		<hr/>
<b>NET ASSETS</b>			9,863,479		9,456,267
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		163		189
Designated reserves	16		732,720		741,270
Restricted reserves	17		47,045		47,897
Revenue reserve	18		9,083,551		8,666,911
			<hr/>		<hr/>
<b>GROUP'S FUNDS</b>	19		9,863,479		9,456,267
			<hr/>		<hr/>

The financial statements were approved and authorised for issue by the Board of Management on 21 July 2015 and signed on its behalf by:

  
Ms M Haigh  
Chair

  
Ms M Reid  
Chief Executive and Secretary

  
Mr A Rawlins  
Board Member

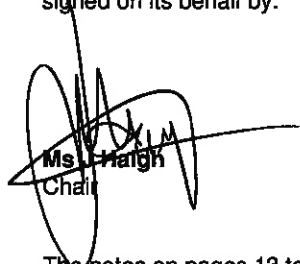
The notes on pages 13 to 25 form part of these financial statements.

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**ASSOCIATION BALANCE SHEET  
AS AT 31 MARCH 2015**

	Note	2015 £	2015 £	2014 £	2014 £
<b>FIXED ASSETS</b>					
Tangible assets					
Housing properties at depreciated cost	7(a)		92,101,989		91,013,945
Less: Social Housing Grant	7(b)		(55,488,408)		(54,843,106)
Less: Other Public Grants	7(b)		(1,939,065)		(2,032,828)
			<hr/>		<hr/>
Other tangible fixed assets	7(c) 8		34,674,516 1,225,952		34,138,011 1,295,521
			<hr/>		<hr/>
			35,900,468		35,433,532
Other Non-Current Assets					
Low Cost Home Ownership Loans	9		576,053		576,053
Less: Social Housing Grant	9		(318,520)		(318,520)
			<hr/>		<hr/>
			257,533		257,533
Investments	10		1		1
			<hr/>		<hr/>
			36,158,002		35,691,066
<b>CURRENT ASSETS</b>					
Stocks		11,041			
Debtors	11	709,655		535,155	
Cash at bank and in hand		809,860		2,167,474	
		<hr/>		<hr/>	
		1,530,556		2,702,629	
<b>CREDITORS – amounts falling due within one year</b>	12	(4,782,829)		(4,618,789)	
		<hr/>		<hr/>	
<b>NET CURRENT LIABILITIES</b>			(3,252,273)		(1,916,160)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<hr/>		<hr/>
			32,905,729		33,774,906
<b>CREDITORS – amounts falling due after more than one year</b>	13		(23,587,952)		(24,849,490)
			<hr/>		<hr/>
<b>NET ASSETS</b>			9,317,777		8,925,416
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		163		189
Designated reserves	16		309,668		275,510
Revenue reserve	18		9,007,946		8,649,717
			<hr/>		<hr/>
<b>ASSOCIATION'S FUNDS</b>	19		9,317,777		8,925,416
			<hr/>		<hr/>

The financial statements were approved and authorised for issue by the Board of Management 21 July 2015 and signed on its behalf by:

  
Ms M Haigh  
Chair

  
Ms M Reid  
Chief Executive and Secretary

  
Mr A Rawlins  
Board Member

The notes on pages 13 to 25 form part of these financial statements.

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2015 £	2014 £	2014 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	(i)		2,538,722		2,816,899
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>					
Interest received		1,531		652	
Interest paid		(852,597)		(889,273)	
			<u>(851,066)</u>		<u>(888,621)</u>
<b>CAPITAL EXPENDITURE</b>					
Acquisition and construction of housing properties, and works to existing properties		(3,494,996)		(2,194,951)	
Purchase of other tangible fixed assets		(45,663)		(105,919)	
Acquisitions under Homebuy loan scheme		-		(62,981)	
Social Housing Grants received	(iv)	1,424,175		1,842,630	
Social Housing Grant abated		(78,363)		-	
Sales of housing properties		347,486		613,884	
Sales of other tangible fixed assets		-		75,465	
			<u>(1,847,361)</u>		<u>168,128</u>
<b>FINANCING</b>					
Loan principal repayment		(1,205,650)		(644,994)	
Loan advance		-		-	
			<u>(1,205,650)</u>		<u>(644,994)</u>
<b>(DECREASE)/INCREASE IN CASH</b>	(iii)		<u><u>(1,365,356)</u></u>		<u><u>1,451,412</u></u>

The notes on pages 13 to 25 form part of these financial statements.

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
YEAR ENDED 31 MARCH 2015**

**(i) RECONCILIATION OF OPERATING SURPLUS TO NET CASH  
INFLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Operating surplus	1,296,736	1,531,792
Depreciation and impairment	2,028,078	1,604,009
Amortisation of social housing grant	(513,303)	(489,832)
Amounts written off housing components	124,334	93,177
Amounts written off share capital	(26)	-
Profit on the sale of other tangible fixed assets	10,358	-
(Decrease)/Increase in creditors	(194,792)	181,526
Increase in debtors	(201,808)	(101,502)
Increase in stocks	(10,855)	(2,271)
	<u>2,538,722</u>	<u>2,816,899</u>

**(ii) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN DEBT**

	2015 £	2014 £
(Decrease)/increase in cash in the year	(1,365,356)	1,451,412
Cash outflow from decrease in debt financing	1,205,650	644,994
Change in net debt	<u>(159,706)</u>	<u>2,096,406</u>
Net debt at 1 April 2014	<u>(22,482,448)</u>	<u>(24,578,854)</u>
Net debt at 31 March 2015	<u>(22,642,154)</u>	<u>(22,482,448)</u>

**(iii) ANALYSIS OF CHANGES IN NET DEBT**

	At 1 April 2014 £	Cash flows £	Non cash flows £	At 31 March 2015 £
Cash at bank and in hand	2,454,925	(1,365,356)	-	1,089,569
Housing loans due within one year	(763,203)	(16,203)	-	(779,406)
Housing loans due after one year	(24,174,170)	1,221,853	-	(22,952,317)
	<u>(22,482,448)</u>	<u>(159,706)</u>	<u>-</u>	<u>(22,642,154)</u>

**(iv) ANALYSIS OF MOVEMENTS IN SOCIAL HOUSING GRANT,  
OTHER PUBLIC GRANTS AND SHARE CAPITAL**

	Social Housing Grant £	Share capital £
At 1 April 2014	58,988,943	189
Cash inflow	1,424,175	-
Social Housing Grant abatement	(231,124)	-
Amortisation of grant	(513,303)	-
Amounts written off	-	(26)
At 31 March 2015	<u>59,668,691</u>	<u>163</u>

## CYNON TAF COMMUNITY HOUSING (2007) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2015

#### 1 ACCOUNTING POLICIES

##### (a) Accounting Basis

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom, The Housing Act 1996, the Statement of Recommended Practice "Accounting by registered social housing providers update" 2010, the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2009 and the Co-operative and Community Benefit Societies Act 2014.

The Group and Association balance sheets show net current liabilities of £3,009,518 and £3,252,273 respectively. The Board has reviewed future cash flow forecasts and consider that debts will be paid as they fall due.

##### (b) Basis of consolidation

The consolidated financial statements include the financial statements of the Association and its subsidiary undertakings made up to 31 March 2015.

Details of the subsidiary undertakings are shown in note 27. In accordance with FRS 8, transactions or balances between group entities that have been eliminated on consolidation are not reported.

##### (c) Turnover

Turnover represents rental and service charge income receivable and fees and revenue based grants received from the Welsh Government and Rhondda Cynon Taf County Borough Council. It does not include proceeds from the sale of fixed assets, the net gain from which is shown after operating surplus in the income and expenditure account.

##### (d) Fixed assets - Housing Properties

###### (i) Component Accounting

The Statement of Recommended Practice (SORP): accounting by registered social housing providers Update 2010 identifies a need to account separately for significant components within fixed assets. The Association has undertaken an exercise and identified the following major components within fixed assets; land, structure, roof, external works, kitchen, bathrooms, heating, electrics, windows, doors and efficiency improvements.

Expenditure in relation to such components is capitalised and depreciated over its expected useful economic life rather than charged in full to the Income and Expenditure Account in the year concerned.

###### (ii) Housing Properties

Housing properties are principally properties available for rent and are stated at cost less depreciation and Social Housing Grant. The cost of properties is their purchase price together with incidental costs of acquisition, administration costs and interest payable up to date of practical completion.

Development administration costs which can be shown to be directly attributable to the development activity are added to the cost of the fixed assets in the balance sheet. Where development and administration costs are incurred internally or in providing services to other organisations which cannot be recovered they are taken to the Income and Expenditure Account.

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2015**

**1 ACCOUNTING POLICIES (continued)**

**(e) Depreciation**

**(i) Housing properties**

Freehold land is not depreciated. Individual components are depreciated on a straight line basis over their estimated useful economic lives, which have been deemed to be as follows:

<b>Component</b>	<b>Useful economic life</b>
Land	No depreciation
Structure	150 years
Roof	60 years
Windows	25 years
Kitchens	15 years
External works	35 years
Bathrooms	25 years
Electrics	35 years
Heating	20 years
Doors	25 years
Efficiency improvements	25 years

The economic life of components is based on the Group's strategy of planned maintenance which ensures that properties are maintained to a good standard at all times throughout their economic lives.

It is the Group's policy to maintain properties in a continual state of sound repair. Any permanent diminution in value of such properties is charged to the income and expenditure account. The Board of Management has conducted an impairment review and is satisfied that there are no significant impairment issues.

**(ii) Other tangible fixed assets**

- (a) Freehold office land is not depreciated.
- (b) Freehold office buildings are depreciated in equal instalments over fifty years.
- (c) Computer equipment is written off in equal instalments over four, five or fifteen years.
- (d) Office furniture and equipment is depreciated by equal instalments over three to fifteen years.

**(f) Social Housing Grant**

Social Housing Grants are receivable from the Welsh Government and are utilised to reduce the capital costs of housing properties. The amount of Social Housing Grant receivable is calculated on a fixed basis depending on the size, location and type of housing property. Social Housing Grant is treated as a grant for accounting purposes but is repayable in certain circumstances, primarily following sale of a property, to the extent that it is not subject to abatement.

**(g) Low Cost Home Ownership Loans**

During the year the Association operated the Welsh Government's "Homebuy Option Scheme" in order to provide low cost home ownership.

The purchaser provided 70% of the cost of the property and the residual 30% was provided by an interest free loan by the Association to the purchaser, funded through Social Housing Grant. This loan is repayable by the purchaser when the property is re-sold, at the rate of 30% of its value at that time. Social Housing Grant is repayable on the sale of the property.

The Association also operates a Homestep Plus scheme whereby purchasers provided 70% of the cost of the property and the residual 30% was provided by an interest free loan by the Association to the purchaser. The initial scheme was funded via a grant through Heads of the Valley Strategic Regeneration Area.

**(h) Housing loans**

Housing loans are advanced by banks and building societies under the terms of individual mortgage deeds in respect of each property or housing scheme.



**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2015**

**1 ACCOUNTING POLICIES (continued)**

**(i) Operating Leases**

Leasing charges in respect of operating leases are recognised in the income and expenditure account over the lives of the lease agreements as incurred.

**(j) Designated Reserves for Cyclical Maintenance and Major Repairs**

Designated reserves are reviewed annually by the Board of Management and transfers made between Revenue and designated reserves as considered appropriate.

**(k) Taxation Status**

The Association and its subsidiary have obtained charitable status under Section 485 (2) Corporation Tax Act 2010 and were therefore exempt from corporation tax on their primary activities.

**(l) Pensions**

The Association and its subsidiaries participate in a defined benefit pension scheme contracted out of the state scheme. The scheme is valued every three years by a professionally qualified independent actuary, the rates of contribution being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rate. It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

**(m) Repairs and maintenance**

The Association and its subsidiary do not provide for liabilities that are not contracted for at the year end. Any element of repair or component replacement which can be shown to enhance the value of the property is capitalised. All other repairs and maintenance costs are charged to the income and expenditure account when incurred.

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2015**

**2 LETTINGS AND OTHER RELATED INFORMATION**

(a) Particulars of turnover, operating costs and surplus by class of operation	2015		2014			
	Turnover £	Operating costs £	Operating surplus £	Turnover £	Operating costs £	Operating surplus £
<b>Social Housing Lettings</b>	8,109,115	(6,848,441)	1,260,674	7,730,129	(6,165,160)	1,564,969
<b>Non Social Housing Activities</b>						
Care and repair Initiatives:	938,467	(894,239)	44,228	843,553	(818,109)	25,444
Other	86,641	(134,748)	(48,107)	-	(103,959)	(103,959)
Other income	39,941	-	39,941	45,338	-	45,338
	<b>9,174,164</b>	<b>(7,877,428)</b>	<b>1,296,736</b>	<b>8,619,020</b>	<b>(7,087,228)</b>	<b>1,531,792</b>

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2015**

**2 LETTINGS AND OTHER RELATED INFORMATION (continued)**

**b) Turnover from social housing lettings**

	General needs and sheltered housing £	Supported housing £	Total 2015 £	Total 2014 £
Rents receivable	6,883,586	346,511	7,230,097	6,990,480
Service charges receivable	507,912	44,771	552,683	541,040
	<u>7,391,498</u>	<u>391,282</u>	<u>7,782,780</u>	<u>7,531,520</u>
PAG Grants	326,335	-	326,335	198,609
	<u>7,717,833</u>	<u>391,282</u>	<u>8,109,115</u>	<u>7,730,129</u>

Rents and service charge receivable from social housing lettings are shown net of rent losses due to voids of £136,538 (2014 - £139,773).

**c) Operating costs from lettings**

	General needs and sheltered housing £	Supported housing £	Total 2015 £	Total 2014 £
Management	841,442	148,490	989,932	1,090,101
Services	694,475	-	694,475	862,361
Routine maintenance	3,224,637	-	3,224,637	2,559,286
Major repairs/planned maintenance	218,290	-	218,290	290,465
Bad debts	1,072	-	1,072	46,044
Depreciation and impairment of housing properties	1,399,426	-	1,399,426	1,005,859
Other	320,609	-	320,609	311,044
	<u>6,699,951</u>	<u>148,490</u>	<u>6,848,441</u>	<u>6,165,160</u>

**3 DIRECTORS' REMUNERATION**

The directors are defined as members of the Board of Management and the Senior Executives as listed on page 1.

None of the members of the Board of Management received any remuneration during the year or the previous year. The remuneration of the Senior Executives was as follows:

	2015 £	2014 £
Emoluments	<u>204,640</u>	<u>202,167</u>

The three (2014 - three) Senior Executives including the Chief Executive were ordinary members of the defined benefit pension scheme. The Association makes no contributions to any other schemes.

	2015 £	2014 £
Emoluments (excluding pension contributions) include amounts paid to the highest paid director	<u>82,713</u>	<u>63,415</u>

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2015**

**4 EMPLOYEE INFORMATION**

The average monthly number of full time equivalent persons employed during the year was:

	<b>2015 Number</b>	<b>2014 Number</b>
Office staff	68	62
Scheme Managers	5	5
	<hr/> 73	<hr/> 67

Staff costs during the year

	<b>2015 £</b>	<b>2014 £</b>
Wages and salaries	1,983,616	1,753,783
Social security costs	164,568	137,996
Other pension costs	302,822	302,276
	<hr/> 2,451,006	<hr/> 2,194,055

**5 OPERATING SURPLUS**

The operating surplus is stated after charging:

	<b>2015 £</b>	<b>2014 £</b>
Depreciation		
housing property	1,874,747	1,469,869
other tangible fixed assets	115,349	108,318
Impairment of housing property	37,982	25,822
Amortisation of social housing grant	(443,806)	(417,939)
Amortisation of other public grant	(69,497)	(71,893)
Amounts written off housing components	124,334	93,177
Auditor's remuneration		
in their capacity as auditor	18,300	17,952
in respect of other services	3,504	3,450
Operating lease rentals		
equipment	95,526	88,047
land and buildings	9,583	9,591

**6 INTEREST PAYABLE**

	<b>2015 £</b>	<b>2014 £</b>
Housing loans repayable by instalments after five years	893,381	883,140

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2015**

**7 HOUSING PROPERTIES**

Group and Association	Housing properties held for letting £	Housing properties under construction £	Total £
<b>(a) Depreciated cost</b>			
Cost			
At 1 April 2014	108,428,217	696,059	109,124,276
Schemes completed in the year	1,224,545	(1,224,545)	-
Additions – new	-	2,111,334	2,111,334
Additions – existing	1,358,908	-	1,358,908
Disposals	(1,224,086)	-	(1,224,086)
At 31 March 2015	<u>109,787,584</u>	<u>1,582,848</u>	<u>111,370,432</u>
<b>Depreciation</b>			
At 1 April 2014	18,110,331	-	18,110,331
Charge for the year	1,874,747	-	1,874,747
Impairment	37,982	-	37,982
Disposals	(754,617)	-	(754,617)
At 31 March 2015	<u>19,268,443</u>	<u>-</u>	<u>19,268,443</u>
<b>Depreciated cost</b>			
At 31 March 2015	<u>90,519,141</u>	<u>1,582,848</u>	<u>92,101,989</u>
At 31 March 2014	<u>90,317,886</u>	<u>696,059</u>	<u>91,013,945</u>
<b>(b) Social Housing Grant</b>			
At 1 April 2014	54,543,758	299,348	54,843,106
Schemes completed in the year	422,337	(422,337)	-
Receivable	-	1,328,968	1,328,968
Disposals	(239,860)	-	(239,860)
Amortised	(443,806)	-	(443,806)
At 31 March 2015	<u>54,282,429</u>	<u>1,205,979</u>	<u>55,488,408</u>
<b>(c) Other Public Grants</b>			
At 1 April 2014	2,032,828	-	2,032,828
Disposals	(24,266)	-	(24,266)
Amortised	(69,497)	-	(69,497)
At 31 March 2015	<u>1,939,065</u>	<u>-</u>	<u>1,939,065</u>
<b>(d) Net book value</b>			
At 31 March 2015	<u>34,297,647</u>	<u>376,869</u>	<u>34,674,516</u>
At 31 March 2014	<u>33,741,300</u>	<u>396,711</u>	<u>34,138,011</u>

Repairs and maintenance expenditure totalling £1,200,838 (2014 - £1,186,756) was capitalised during the year as a result of component accounting.

Housing properties at net book value comprised:

	2015 £	2014 £
Freeholds	33,832,289	33,313,330
Long leaseholds	668,225	670,509
Short leasehold	174,003	154,172
	<u>34,674,516</u>	<u>34,138,011</u>

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2015**

**8 OTHER TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold offices £</b>	<b>Computer equipment £</b>	<b>Office furniture &amp; equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2014	1,420,418	311,045	717,074	2,448,537
Additions	-	41,509	4,154	45,663
Disposals		(53,649)	(177,053)	(230,702)
<b>At 31 March 2015</b>	<b>1,420,418</b>	<b>298,905</b>	<b>544,175</b>	<b>2,263,498</b>
<b>Depreciation</b>				
At 1 April 2014	140,370	189,287	509,936	839,593
Charge for the year	23,381	49,640	42,328	115,349
Disposals	-	(51,012)	(169,332)	(220,344)
<b>At 31 March 2015</b>	<b>163,751</b>	<b>187,915</b>	<b>382,932</b>	<b>734,598</b>
<b>Net book value</b>				
At 31 March 2015	1,256,667	110,990	161,243	1,528,900
At 31 March 2014	1,280,048	121,758	207,138	1,608,944
<b>Association</b>				
<b>Cost</b>				
At 1 April 2014	1,095,050	257,948	671,154	2,024,152
Additions	-	41,509	4,154	45,663
Disposals	-	(53,649)	(177,053)	(230,702)
<b>At 31 March 2015</b>	<b>1,095,050</b>	<b>245,808</b>	<b>498,255</b>	<b>1,839,113</b>
<b>Depreciation</b>				
At 1 April 2014	114,023	138,374	476,234	728,631
Charge for the year	17,158	48,599	39,117	104,874
Disposals	-	(51,012)	(169,332)	(220,344)
<b>At 31 March 2015</b>	<b>131,181</b>	<b>135,961</b>	<b>346,019</b>	<b>613,161</b>
<b>Net book value</b>				
At 31 March 2015	963,869	109,847	152,236	1,225,952
At 31 March 2014	981,027	119,574	194,920	1,295,521

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2015**

**9 LOW COST HOME OWNERSHIP LOANS**

**Group and Association**

	£
<b>Cost</b>	
At 1 April 2014 and at 31 March 2015	<b>576,053</b>
	<hr/>
<b>Social Housing Grant</b>	
At 1 April 2014 and at 31 March 2015	<b>318,520</b>
	<hr/>
<b>Net book value</b>	
At 31 March 2015	<b>257,533</b>
At 31 March 2014	<b>257,533</b>
	<hr/> <hr/>

**10 INVESTMENTS**

	<b>Group</b>	<b>Association</b>
	£	£
At 1 April 2014 and at 31 March 2015	-	<b>1</b>
	<hr/>	<hr/>

**11 DEBTORS**

	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Association 2015 £</b>	<b>Association 2014</b>
Arrears of rent and service charges	<b>552,496</b>	582,666	<b>552,496</b>	582,666
Less: Provision for bad and doubtful debts	<b>(271,043)</b>	(294,492)	<b>(271,043)</b>	(294,492)
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>281,453</b>	288,174	<b>281,453</b>	288,174
Other debtors	<b>220,264</b>	64,733	<b>220,264</b>	64,733
Prepayments and accrued income	<b>277,438</b>	191,440	<b>207,948</b>	182,248
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>779,155</b>	544,347	<b>709,665</b>	535,155
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**12 CREDITORS: Amounts falling due within one year**

	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Association 2015 £</b>	<b>Association 2014 £</b>
Social Housing Grant (disposal fund)	<b>544,938</b>	319,490	<b>544,938</b>	319,490
Social Housing Grant in advance	<b>1,909,158</b>	1,777,162	<b>1,909,158</b>	1,777,162
Other grants in advance	<b>13,540</b>	17,330	<b>13,540</b>	17,330
Housing loans (note 14)	<b>779,406</b>	763,203	<b>779,406</b>	763,203
Loan interest due	<b>106,230</b>	65,446	<b>106,230</b>	65,446
Contractors for certified work and retentions unpaid	<b>647,630</b>	672,384	<b>647,630</b>	672,384
Other creditors and accruals	<b>896,549</b>	1,091,342	<b>781,927</b>	1,003,774
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>4,897,451</b>	4,706,357	<b>4,782,829</b>	4,618,789
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The movement on Social Housing Grant (disposal fund) is represented by social housing grant abatement.

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2015**

**13. CREDITORS: Amounts falling due after more than one year**

	<b>Group and Association 2015 £</b>	<b>Group and Association 2014 £</b>
Housing loans	<b>22,952,317</b>	24,174,170
Social Housing Grant (disposal fund)	<b>635,635</b>	675,320
	<b>23,587,952</b>	<b>24,849,490</b>

**14 HOUSING LOANS**

	<b>Group and Association 2015 £</b>	<b>Group and Association 2014 £</b>
Housing loans are payable as follows:		
One year or less	<b>779,406</b>	763,203
Between one and two years	<b>805,232</b>	787,424
Between two and five years	<b>3,756,001</b>	3,023,231
In five years or more	<b>18,391,084</b>	20,363,515
	<b>22,952,317</b>	24,174,170
	<b>23,731,723</b>	<b>24,937,373</b>

Housing loans are secured by specific charges over the Association's housing properties and are repayable by instalments.

Interest rates are fixed at between 3.81% and 12.725% or vary with the market rate.

**15 CALLED UP SHARE CAPITAL**

<b>Group and Association</b>	<b>£</b>
At 1 April 2014	<b>189</b>
Issued during the year	-
Written off during the year	<b>(26)</b>
<b>At 31 March 2015</b>	<b>163</b>

The shares provide members with the right to vote at general meetings but do not provide rights to dividends or distributions in a winding up.



**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2015**

**16 DESIGNATED RESERVES**

	At 1 April 2014 £	Transfer to revenue reserves £	Transfer from revenue/ restricted reserves £	At 31 March 2015 £
<b>Group</b>				
Furniture replacement	275,510	-	34,158	309,668
Cynon Taf Care & Repair	465,760	(42,708)	-	423,052
	<u>741,270</u>	<u>(42,708)</u>	<u>34,158</u>	<u>732,720</u>
	At 1 April 2014 £	Transfer to revenue reserves £	Transfer from revenue reserves £	At 31 March 2015 £
<b>Association</b>				
Furniture replacement	275,510	-	34,158	309,668

The level of reserves required has been considered by the Board as being adequate to meet future spending plans.

**17 RESTRICTED RESERVES**

	At 1 April 2014 £	Transfer to revenue reserves £	Transfer from revenue reserves £	At 31 March 2015 £
<b>Group</b>				
Restricted 'other' tangible fixed assets	47,897	(852)	-	47,045

**18 REVENUE RESERVES**

	Group £	Association £
At 1 April 2014	8,666,911	8,649,717
Surplus for the year	407,238	392,387
Transfer from restricted reserves	852	-
Transfer from/(to) designated reserves	8,550	(34,158)
At 31 March 2015	<u>9,083,551</u>	<u>9,007,946</u>

**19 RECONCILIATION OF MOVEMENTS IN FUNDS**

	Group 2015 £	Group 2014 £	Association 2015 £	Association 2014 £
Surplus on ordinary activities	407,238	851,058	392,387	850,572
Shares issued during the year	-	-	-	-
Shares written off during the year	(26)	(1)	(26)	(1)
	<u>407,212</u>	<u>851,057</u>	<u>392,361</u>	<u>850,571</u>
At 1 April 2014	9,456,267	8,605,210	8,925,416	8,074,845
At 31 March 2015	<u>9,863,479</u>	<u>9,456,267</u>	<u>9,317,777</u>	<u>8,925,416</u>

**CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2015**

**20 COMMITMENTS**

**Capital commitments**

	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Association 2015 £</b>	<b>Association 2014 £</b>
Contracted for but not provided for in the financial statements - Housing properties	<b>3,586,042</b>	3,367,259	<b>3,586,042</b>	3,367,259
Authorised but not contracted for - Housing properties	<b>2,785,834</b>	2,911,564	<b>2,785,834</b>	2,911,564

The commitments will be funded from Social Housing Grant, Heads of the Valley Strategic Regeneration Area grant and private finance.

**Lease commitments**

The Association had commitments to pay during the next year in respect of non-cancellable operating leases expiring:

	<b>Land and buildings</b>			
	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Association 2015 £</b>	<b>Association 2014 £</b>
After five years	<b>9,583</b>	9,591	<b>9,583</b>	9,591
	<b>Group 2015 £</b>	<b>Other Group 2014 £</b>	<b>Association 2015 £</b>	<b>Association 2014 £</b>
Within one year	<b>5,264</b>	449	<b>292</b>	-
Between one and five years	<b>82,612</b>	95,815	<b>70,831</b>	69,077

**21 HOUSING STOCK**

**Group and Association**

	<b>Units under development</b>		<b>Units in management</b>	
	<b>2015 Number</b>	<b>2014 Number</b>	<b>2015 Number</b>	<b>2014 Number</b>
	<b>60</b>	31	<b>1,847</b>	1,850

**22 SOCIAL HOUSING GRANT**

At 31 March 2015 total Social Housing Grant received by the group, including Social Housing Grant in respect of grant aided repair schemes and Homebuy Options schemes, amounted to £65,393,717 (2014 - £64,214,379). Social Housing Grant becomes repayable only in the event of a related property being sold.

**23 LEGISLATIVE PROVISIONS**

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is a registered social landlord.

## **CYNON TAF COMMUNITY HOUSING (2007) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2015**

#### **24 PENSION SCHEME – SHPS SCHEME**

Cynon Taf Community Housing (2007) Limited and Care & Repair Rhondda Cynon Taf Limited participates in the Social Housing Pension Scheme (the Scheme). The Scheme is funded and is contracted-out of the State Pension scheme.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035 million, equivalent to a past service funding level of 67%.

The Scheme Actuary is currently finalising the 2014 valuation but key provisional results have been confirmed. As at 30 September 2014, the market value of the Scheme's assets was £3,123 million. There was a shortfall of assets compared with the value of liabilities of £1,323 million, equivalent to a past service funding level of 70%.

#### **25 CONTINGENT LIABILITIES**

The Association and Care & Repair Rhondda Cynon Taf Limited have both been notified by the Pensions Trust of their estimated employer debts on withdrawal from the Pension Plan, based on the financial position of the Scheme as at 30 September 2014. As of this date the estimated employer debt for the Association as at 30 September 2014 was £11,347,437 and £1,686,145 for Care & Repair Rhondda Cynon Taf Limited. Neither the Association nor Care & Repair Rhondda Cynon Taf Limited currently have any intention of withdrawing from the Plan.

Social housing grant received for a housing property is potentially repayable on its disposal, including any amounts credited to income and expenditure account in respect of disposal of replaced components. The total amount of social housing grant written back to income and expenditure account and potentially repayable in respect of all replaced housing property components is £7,256,839 (2014 - £6,813,033).

#### **26 RELATED PARTY TRANSACTIONS**

Board members Mr P Andric, Mrs M Davies, Mr D Roberts and Mrs G Williams are tenants of the association. Their tenancy agreements are under normal commercial terms and they are not able to use their position to their advantage.

#### **27 SUBSIDIARY UNDERTAKING**

At 31 March 2015 the Association had a controlling interest in the affairs of Care & Repair Rhondda Cynon Taf Limited. This was by virtue of the fact that the Association may appoint a majority of the organisation's Board of Management.

Care & Repair Rhondda Cynon Taf Limited is not a registered social landlord. Its principal activity to help older and disabled people improve and maintain a suitable home environment by enabling repairs, improvements and adaptations to be carried out.

