



working together

Annual Accounts 2009



Report and Financial Statements Year Ended 31st December 2009

Contents

	Page
Board Members, Executive Officers, Advisors and Bankers	2
<hr/>	
Operating and Financial Review	3 – 5
<hr/>	
Statement of the Responsibilities of the Board for the Financial Statements	6
<hr/>	
Housing Association Governance – Reporting on Internal Financial Controls	7
<hr/>	
Report of the Independent Auditors KPMG LLP to the Members of Hafod Care Association Limited	8 – 9
<hr/>	
Income and Expenditure Account and Statement of Total Recognised Surpluses and Deficits	10
<hr/>	
Balance Sheet	11
<hr/>	
Cash Flow Statement	12
<hr/>	
Notes to the Financial Statements	13 – 32
<hr/>	

Board Members, Executive Officers, Advisors and Bankers

The Board

Chairman Mr P Williams MBE

Other Members

Ms J Davies
Mr B Edwards
Mrs V Ibbertson
Mr L James
Mr I Jenkins
Dr P Jones
Mr P Jones
Mrs J Keenor
Dr A Napier
Ms S Sheppard
Mr J Singh MBE JP
Mr M Talbot
Mr C Thomas
Mrs S Tiburzio

Secretary

Mr I Williams

Senior Executives

Managing Director
Mr R Wathen

Director of Care and Support Services
Mr D Lewis

Registered Office

St Hilary Court
Cophorne Way
Cardiff CF5 6ES

Internal Auditors

RSM Tenon
33 – 35 Cathedral Road
Cardiff CF11 9HB

External Auditors

KPMG LLP
Marlborough House
Fitzalan Court
Fitzalan Road
Cardiff CF24 0TE

Principal Solicitors

Hugh James
Hodge House
114-116 St Mary's Street
Cardiff CF10 1DY

Eversheds
1 Callaghan Square
Cardiff CF10 5BT

Principal Bankers

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

Registered under the Industrial and Provident Societies Acts No. 28830R

Registered with the Welsh Assembly Government No. J126

Operating and Financial Review

The Board present their operating and financial review and audited financial statements for the year ended 31st December 2009.

The Association

Hafod Care Association Limited (the "Association") is a subsidiary of Hendre Limited (the "parent"). The Association is a "not for profit" organisation, administered by a voluntary Board. The majority of the Board shall always be capable of appointment by Hendre Limited.

The Association is registered under the Industrial and Provident Societies Acts 1965 to 2003 under "charitable" rules and is accepted as a charity for tax purposes.

Principal Activities

The principal activities of the Association are:

- The development and management of residential and nursing homes;
- Supported housing schemes for people suffering from some level of physical disability, complex mental health issues or overcoming problems associated with alcohol or drug abuse;
- The operation of a range of floating and tenant support schemes, including the provision of services to tenants of other organisations;
- The provision of domiciliary care services; and
- The provision of day care services.

We currently provide services in eight local authority areas across South East Wales.

Board Members and Executive Officers

The present membership of the Board is set out on page 2.

The senior executives hold no interest in the shares of the Association and have no legal status as directors although they act as executives within the authority delegated by the Board. All of the senior executives served throughout the year.

In addition to the main Board of the Association, each of its larger establishments has a house committee, chaired by a Board Member, which provides a platform on which residents, their relatives or their advocates can bring forward issues for discussion and where necessary, resolution.

Statement of the Current Obligations of Board Members to the Board and to the Association

The Board is expected at all times to act in the best interest of the Association and is responsible for controlling the Association's affairs in an efficient, effective and accountable manner. It has agreed that the obligations of the Board Members are:

- To be committed to the values and objectives of the Association;
- To be committed to the Association's policies including its equal opportunities policy;
- To contribute to the shared responsibility for the Board's decisions;
- To ensure that all reports and minutes are diligently read;
- To attend meetings, training sessions and other events that may from time to time occur; and
- To declare any interests in the Association's dealings whether pecuniary or otherwise.

All Board Members must, within one month of appointment, sign and deliver to the Board a statement confirming that they will meet their obligations to the Board and to the Association.

Skills, Qualities and Experience required by the Board from its Members

The Board must be competent in the wider sense to carry out its defined role. Competence in this wide sense goes beyond particular skills. It includes the ability to understand the impact of the Association's work on local communities and those it seeks to serve. It requires a high level of commitment and cohesion in pursuit of shared goals.

Board Members should all possess the qualities required to make decisions and monitor the Association's performance. The Board will include experience of the following so as to discharge its responsibilities effectively:

- Housing needs;
- Care and Support services;
- Management (including the management of staff and of property);
- Finance;
- Community relations and needs;
- Public presentations; and
- Resident/tenant issues and concerns.

Operating and Financial Review (continued)

All Board Members serve because of their commitment to the aims and objectives of Hafod Care Association Limited. They do not represent any particular group.

Policy for Admitting New Shareholders

The Association will admit to Membership individuals and organisations who are likely to have a long-term interest in promoting the Association's work. These will include organisations with whom the Association has developed positive relationships, including organisations with whom the Association has agency or partnership agreements, as well as other voluntary or charitable organisations with whom the Association comes into contact by reasons of its work.

Membership may extend to local and other public authorities or key individuals within such authorities. The Association will admit individual tenants and residents.

No individuals or organisations would be admitted into membership under circumstances in which an individual might derive personal gain financially or otherwise.

Statement of the Values and Objectives of the Association

The Association values:

Openness, respect, integrity, responsibility, co-operation, commitment, flexibility, being a learning organisation, personal development of all staff and innovation.

The Objectives of the Association as recorded in its rules are:

- The Association is formed for the benefit of the community; its objects shall be to carry on for the benefit of the community:
 - the business of providing housing, accommodation and assistance to help house people and associated facilities and amenities for poor people or for the relief of aged, disabled, handicapped (whether physically or mentally) or chronically sick people; and
 - any other charitable object that can be carried out by an Industrial and Provident Society registered as a Social Landlord with the Welsh Assembly Government.

Our current Corporate Strategy, which was updated in 2008, underpins these objectives by stating:

"Our vision is to work with partners and service users to create housing and support solutions which empower individuals to grow in confidence, feel able to make choices and decisions about their lives and enjoy life in their communities".

This is further supported by 5 key aims:

- To build on and sustain effective strategic partnerships;
- To communicate and consult with key partners;
- To provide and maintain high quality service;
- To maintain a strong, expert workforce; and
- To ensure the health and strength of our business.

Objectives for Business Growth

We are currently halfway through the period covered by our current Corporate Strategy, which outlines our plans and objectives up to the end of 2011. The strategy details how the Association intends to build upon its past achievements against a backdrop of knowledge and understanding of developments in national and local agendas, and the constraints of expanding the business against a backdrop of economic uncertainty.

During 2009 Brocastle Nursing Home progressed towards full occupancy, including the transfer in of staff and residents from a nearby home in Southerndown which was closing down.

In December 2009 the Association acquired, from Hafod Housing Association Limited, Ty Penrhos, a new multi-purpose care facility in Caerphilly which will offer 60 units for the provision of services to the elderly plus 15 units designed to cater for the young physically disabled persons. The Association has recently obtained registration of this facility from CSSIW. The Association is also continuing to work with local commissioners and partners to take forward the plans for new developments in Bridgend (YMCA) and Cardiff (The Huggard). We are also working with several Local Authorities in the development of Extra Care services with a scheme in Merthyr Tydfil Local Authority due to commence on site during 2010.

The Association and the Local Authority have agreed the first phase of a plan for the re-development of residential homes in Cardiff. The Association will construct a new 60 unit home for the care of the elderly on the site of the Woodcroft Residential Home in Trowbridge, which closed in late 2009. Alongside the new home will be a development of 15 assisted living units.

The Association is also committed to competing for services tendered under the Supporting People regime, as well as for the provision of other care and support services across South East Wales.

Operating and Financial Review (continued)

Current Performance

The Association's surplus for the year amounted to £0.5m (2008: £0.1m).

Surplus from operating activities increased from £0.3m in 2008 to £0.8m in 2009, with operating results at the Association's large care establishments improving as occupancy levels increased over the year.

The Association's pension liability arises in respect of those staff at our Torfaen residential homes who were members of the Torfaen Local Government Pension Scheme at the time of transfer of the management of the homes to Hafod Care Association Limited in 2002. The pension liability of £0.8m at the end of 2008 increased to £1.2m at the end of December 2009. The pension liability, which is assessed by independent actuaries, reflected an increase in the value of the schemes assets over the year, but this was more than offset by an increase in the schemes future liabilities, reflecting more pessimistic assumptions of future inflation, salary and pension increases. Full disclosures of the detail behind this movement are disclosed in note 33 to the accounts.

Risk Management

The Board is acutely aware of its responsibilities and seeks to manage all risks to a manageable level by way of implementing appropriate actions that are regularly reviewed by the Board. Internal risks are minimised by the implementation of policies and procedures which are periodically reviewed to ensure that they still meet the needs of the organisation and recognised good practice.

The Association has recently reviewed its approach to Risk Management and follows the Hendre Group's approach to Risk Management using the services of the Group Governance Co-ordinator. This work has resulted in an updating of both the organisation's Risk Register and Risk Strategy.

In relation to specific Health and Safety risks, the Board is aware of its responsibilities on these matters and strives to maintain a healthy and safe living and working environment for our tenants and members of staff. The organisation is represented on the Group Health and Safety Committee which meets on a regular basis to assess risks and associated actions in relation to Health and Safety.

Risk Management and Health and Safety are all areas monitored by the Group Corporate Governance Committee. The organisation is represented on this committee who meet on a regular basis to ensure that member organisations have appropriate arrangements in place to allow them to discharge their responsibilities in such areas.

Financial Summary

The fixed asset base of the Association increased from £23.3m at the end of 2008 to £31.2m at the end of 2009, largely as a result of the completion of the Ty Penrhos Nursing Home in Caerphilly.

Funding the growth in the asset base increased the Association's borrowing requirement during the year. At the end of the year the overall borrowing of the Association stood at £15.6m, £6.9m higher than at the start of the year.

Employees

The strengths of the Association lie in the quality and commitment of its employees. The Association's ability to meet its objectives and commitments to residents and tenants in an efficient and effective manner depends on the contribution of employees throughout the Association.

The Association continues to provide information on its objectives, progress and activities through regular executive, management team and departmental meetings and actively promotes appropriate staff training to meet these objectives.

Disclosure of Information to Auditors

The Board members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditors are unaware; and each board member has taken all the steps that they ought to have taken as a board member to make themselves aware of any relevant audit information and to establish the Association's auditors are aware of such information.

Annual General Meeting

The Annual General Meeting will be held on Monday 28th June 2010 at St Hilary Court, Copthorne Way, Culverhouse Cross, Cardiff.

Auditors

Our auditors, KPMG LLP, have notified us that they will not be seeking re-election at the Annual General Meeting. A resolution to appoint new Independent Auditors will be proposed at the Annual General Meeting.

The report of the Board was approved on 26th May 2010 and signed on its behalf by:

Peter Williams MBE
Chair

Statement of the Responsibilities of the Board for the Financial Statements

The Board is responsible for preparing the Board Reports and the financial statements in accordance with applicable law and regulations.

Industrial and Provident Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the association and of the surplus or deficit for that period.

In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice 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 is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Industrial and Provident Societies Acts 1965 to 2003, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2009. The Board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

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

Housing Association Governance – Reporting on Internal Financial Controls

Housing Association Circular 028/09 “Internal Controls”

The Welsh Assembly Government requires Registered Social Landlords (RSLs) to report on internal financial controls. These requirements have been adapted to suit RSLs and follow the report of the Cadbury Committee on ‘the financial aspects of corporate governance’ and in particular paragraph 4.5 of the ‘Code of Best Practice’.

Internal Financial Control

The Board is ultimately responsible for the Association’s system of internal financial control, which is designed to provide reasonable but not absolute assurance regarding the safeguarding of the assets, the maintenance of proper accounting records and the reliability of financial information.

The following procedures are in place which are designed to provide effective internal financial control:

- Clearly defined management and reporting structures;
- Careful recruitment and effective financial training programme;
- Regulations and procedures manuals for staff;
- Management information and accounting systems with quarterly reporting of financial results and other performance indicators compared with budgets and forecasts;
- Rolling five year strategic business plan forecasts and development plans; and
- Monitoring of the control systems by the Group Corporate Governance Committee, internal auditors and management review.

The Group Audit Committee, comprising representatives from each Board within the Hendre Group, has a wide remit to monitor all aspects of corporate governance across each member of the Group, including financial controls, fraud and corruption, and internal and external audit arrangements.

The Group have appointed a Group Governance Co-ordinator, who is responsible for providing a full range of governance related services to all organisations, and their respective Boards, within the Hendre Group. Reporting to the Group Chief Executive Officer, the Group Governance Co-ordinator will act in liaison with the Corporate Governance Committee and its Chair in providing reports on all aspects of related governance activities.

During the year the Board appointed an independent firm of Chartered Accountants and Registered Auditors (RSM Tenon) to act as internal auditors for the Association and their reports are presented for consideration both to the Association’s Board and to the Group Corporate Governance Committee.

Report of the Independent Auditors KPMG LLP to the members of Hafod Care Association Limited

We have audited the financial statements of Hafod Care Association Limited (the "Association") for the year ended 31 December 2009 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Total Recognised Surplus and Deficits and the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Association's members, as a body, in accordance with Schedule 1 paragraph 16 to the Housing Act 1996 and section 9 of the Friendly and Industrial and Provident Societies Act 1968. 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 auditors

The responsibility of the Association's Board for the preparation of the Board's report and the preparation of financial statements in accordance with applicable United Kingdom law and UK accounting standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Board's Responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2003, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2009. We also report to you if, in our opinion, a satisfactory system of control over transactions has not been maintained, if the Association has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Corporate Governance Matters

In addition to our audit of the financial statements, we have reviewed whether the Board's statement on page 7 reflects the Association's compliance with the Housing Association Circular 028/09 ("the Circular") 'Internal Controls', and we report whether the Board has provided the disclosures required by the Circular and whether the statement is inconsistent with information of which we are aware from our audit of the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We carried out our review of the Association's compliance with Circular having regards to Bulletin 1995/1 'Disclosures relating to Corporate Governance' issued by the Auditing Practice Board. That bulletin does not require us to perform the additional work necessary to, and we do not, express an opinion on the effectiveness of either the Association's system of internal financial control or its corporate governance procedures, nor on the ability of the Association to continue in operational existence.

Report of the Independent Auditors KPMG LLP to the members of Hafod Care Association Limited (continued)

Opinion

In our opinion the financial statements:

- Give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the Association as at 31 December 2009 and of its surplus for the year then ended; and
- Have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2003, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2009.

With respect to the Board's statement on internal financial controls on page 7 in our opinion the Board has provided the disclosures required by the Circular and the statement is not inconsistent with the information of which we are aware from our audit work on the financial statements.

**E. Holiday (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

**Chartered Accountants
Marlborough House
Fitzalan Court
Fitzalan Road
Cardiff CF24 0TE**

Income and Expenditure Account

Year ended 31st December 2009

	Note	2009 £'000	2008 £'000
Turnover: continuing activities	3	17,211	15,011
Less: operating costs / cost of sales	3	(16,393)	(14,692)
Operating surplus: continuing activities	3	818	319
Interest receivable and other income	8	78	15
Interest payable and similar charges	9	(347)	(324)
Other finance (cost)/income	32	(56)	79
Surplus on ordinary activities before taxation		493	89
Taxation on surplus on ordinary activities		-	-
Surplus for the year	13	493	89
Transfers (to)/from designated reserves	12	(2)	6
		491	95
Revenue reserves brought forward	13	13,917	14,971
Actuarial loss recognised in STRSD	33	(371)	(1,149)
		13,546	13,822
Revenue reserves carried forward	13	14,037	13,917

There is no significant difference between the surpluses disclosed above and the surpluses calculated on a historic cost basis in either year. Accordingly a note of historical cost surpluses and deficits has not been presented.

STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS

Reported surplus for the year		493	89
Actuarial loss on pension scheme	33	(371)	(1,149)
Adjustment in respect of previous year		-	(1)
Total surpluses/(deficits) recognised since the last annual report		122	(1,061)

Balance Sheet

As at 31st December 2009

	Note	2009 £'000	2008 £'000
Tangible fixed assets			
Properties at net book value:			
Properties held for letting	14	39,032	31,021
Less: Social housing grant	15	(8,705)	(8,415)
		30,327	22,606
Other tangible fixed assets	17	836	724
		31,163	23,330
Current assets			
Stock	18	129	882
Debtors due within one year	19	3,573	1,225
Debtors due after one year	20	-	2,500
Cash at bank and in hand		45	44
		3,747	4,651
Creditors: amounts falling due within one year	21	(4,047)	(4,600)
Net current (liabilities)/assets		(300)	51
Total assets less current liabilities		30,863	23,381
Creditors: amounts falling due after more than one year	22	(15,575)	(8,676)
Net assets (excluding pension liability)		15,288	14,705
Pension liability	33	(1,214)	(753)
Net assets (including pension liability)		14,074	13,952
Represented by:			
Capital and reserves			
Non equity share capital	24	-	-
Designated reserves	12	37	35
Revenue reserves			
Revenue reserves excluding pension liability		15,251	14,670
Pension liability		(1,214)	(753)
Revenue reserves including pension liability	13	14,037	13,917
Association's funds	27	14,074	13,952

The financial statements were approved by the Board on 26th May 2010 and signed on its behalf by:

Chairman

Vice Chair

Secretary

Cash Flow Statement

Year ended 31st December 2009

	Note	2009 £'000	2008 £'000
Net cash inflow from operating activities	28	2,678	3,870
Returns on investments and servicing of finance			
Interest received		78	15
Interest paid		(347)	(324)
Net cash outflow from returns on investments and servicing of finance		(269)	(309)
Capital expenditure and financial investment			
Purchase and construction of housing properties		(16,191)	(8,325)
Social housing grant received		4,178	2,357
Purchase of other fixed assets		(433)	(521)
Sales of housing properties and fixed asset investments		3,140	-
Net cash outflow from investing activities		(9,306)	(6,489)
Net cash outflow before financing		(6,897)	(2,928)
Financing			
Housing loans received		6,900	2,879
Housing loans repaid		(2)	-
Net cash inflow from financing		6,898	2,879
Increase/(decrease) in cash		1	(49)

Notes to the Financial Statements

Year ended 31st December 2009

1. Legal status

The Association is registered under the Industrial and Provident Societies Act 1965 and is a registered social landlord.

2. Principal accounting policies

a) Basis of accounting

The financial statements are prepared under the historical cost accounting rules and in accordance with applicable Accounting and Financial Reporting Standards in the United Kingdom and the Statement of Recommended Practice for Registered Social Landlords 2008 (2008 SORP), and comply with the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2009.

As at 31 December 2009, the Association had net current liabilities of £300,000. The strong asset base and cash generating ability of the Association are considered sufficient to ensure its ability to continue to operate. Accordingly the accounts are prepared on a going concern basis.

b) Turnover

Turnover comprises:

- Rent, fees and service charge income receivable in the year from residents of the Association's residential homes, nursing homes and hostels; and
- Revenue grants.

c) Hostels managed by partners

The Association as manager of the hostels claims supported housing grants and other revenue grants. The grants are included in the income and expenditure account and balance sheet of the Association. The treatment of other income and expenditure in respect of hostels depends on whether the Association carries the financial risk.

Where the Association carries the financial risk, for example, for losses from voids and arrears, all the hostel's income and expenditure is included in the income and expenditure account (see note 3).

Where a managing agent, as partner, carries the financial risk, the income and expenditure account includes only that income and expenditure which relates solely to the Association. Other income and expenditure of hostels in this category is excluded from the income and expenditure account but is shown for reference (see note 6).

d) Pensions

The Association operates a defined contribution pension scheme with Scottish Widows Fund and Life Assurance Society, the cost of which is written off to the income and expenditure account on an accruals basis. The assets of the scheme are held separately from those of the Association in an independently administered fund.

On 1st August 2002 Hafod Care Association acquired, from Torfaen County Borough Council, five residential homes for the elderly. Staff employed at these homes were transferred to the employment of Hafod Care Association under Transfer of Undertakings (Protection of Employment) regulations. Prior to transfer employees at these homes had been eligible to participate in the Local Government Pension Scheme; a defined benefit scheme. From the date of transfer the Administering Authority (Torfaen CBC) and the Transferee Admission Body (Hafod Care Association) entered into an agreement to enable eligible employees to continue to be members of the Scheme and participate in the Pension Fund.

The Association also offers a stakeholder pension scheme with The Standard Life Assurance Company for those employees who are not eligible to join either of the above schemes.

In respect of those employees who are members of Torfaen Local Government Pension Scheme the Association operates a pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the Association.

Pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised surpluses and deficits, actuarial gains and losses.

Notes to the Financial Statements

Year ended 31st December 2009

e) Fixed assets – nursing and residential homes, and housing properties (land and buildings)

Nursing and residential homes, and housing properties for letting are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs and interest charges incurred during the development period. This interest is capitalised on specific schemes at the average cost of borrowing. Expenditure is incurred in respect of improvements which comprise the modernisation of used properties ("existing dwellings") acquired for letting.

The Association is committed to making investments in major repairs to ensure properties are kept up to necessary standards. Where it is considered that this investment incorporates an element of improvement which has future economic benefit either in extending the life of the asset, or improving its future net income streams, the Association considers that an element of such expenditure should be capitalised and written off over the economic life of the asset. All other repair costs are charged to the income and expenditure account.

Only development administration costs that are directly attributable to the development programme are capitalised. These include the direct costs of the parent company's development department plus any directly attributable third party legal, professional or consultancy costs incurred directly in bringing a project into management.

f) Social housing grant

Social housing grant (SHG) is receivable from the Welsh Assembly Government and is utilised to reduce the capital costs of housing properties.

The amount of the grant received is shown separately on the balance sheet. SHG due from the Welsh Assembly Government or received in advance is included as a current asset or liability as appropriate. By agreement with the Welsh Assembly Government SHG is subordinate to loans.

SHG is repayable unless formally abated. Any grant becoming repayable on a property sale may be re-utilised on new property development subject to certain conditions.

g) Depreciation

The Association charges depreciation on properties for letting and other tangible fixed assets, in order to write off the asset's cost less residual value over its useful economic life.

The principal asset lives on which depreciation is based is:

Freehold housing properties (net of grant and land):

Residential and nursing homes	Up to 50 years
Special needs hostels	Up to 50 years
General needs housing accommodation	Up to 100 years
Residential homes furniture and equipment	4 – 10 years
Motor vehicles	3 years

Depreciation on properties for letting is charged from the beginning of the year following the property entering into management.

A full year's depreciation is charged on other fixed assets in the year of purchase but no charge is made in the year of disposal.

h) Provision for bad and doubtful debts

The Association adopts a policy for making full provision for all arrears owed by ex-tenants plus full provision for all current tenant arrears in excess of eight weeks old at the balance sheet date.

i) Special reserve

The Association has created a special reserve for funds received through a bequest from a former resident. The reserve will be utilised as per the former resident's wishes.

j) Value added tax

The Association is registered for VAT but a large proportion of its income is exempt for VAT purposes and this therefore gives rise to a partial exemption calculation. Expenditure is therefore shown inclusive of VAT, and the input VAT recovered is included in other income.

k) Taxation

The surpluses of the Association are exempt from taxation as it is accepted as a charity for tax purposes.

l) Stock

When housing properties are acquired or developed with the intention that at least a proportion of the property will be disposed of within the foreseeable future, that property is held as stock and valued at the lower of cost or net realisable value.

Notes to the Financial Statements

Year ended 31st December 2009

3. Turnover

	Turnover £'000	Operating costs £'000	Cost of sales £'000	Operating surplus/ (deficit) £'000	Interest receivable £'000	Interest payable £'000	2009 Surplus/ (deficit) £'000	Turnover £'000	2008 Surplus/ (deficit) £'000
Income and expenditure from lettings									
Residential and nursing homes	12,981	12,835	-	146		173	(27)	10,625	(50)
Supported housing and special needs	3,877	3,258	-	619		174	445	3,736	22
	16,858	16,093	-	765		347	418	14,361	(28)
Other income and expenditure									
Sale of properties (stock)	353	-	266	87		-	87	598	248
Other	-	34	-	(34)		-	(34)	52	(225)
	17,211	16,127	266	818		347	471	15,011	(5)
Sales of fixed assets	3,140	-	3,140	-			-	-	-
Other finance (cost)/income							(56)		79
Interest receivable					78		78		15
Surplus for the year							493		89

Notes to the Financial Statements

Year ended 31st December 2009

4. Turnover from lettings

	Residential and nursing homes £'000	Supported housing and special needs £'000	2009 Total £'000	2008 Total £'000
Rents, fees and other charges	13,866	1,924	15,790	13,344
Service charges	-	660	660	474
Rent loss from voids	(935)	(60)	(995)	(869)
	12,931	2,524	15,455	12,949
Revenue grants	50	1,353	1,403	1,412
	12,981	3,877	16,858	14,361

5. Operating costs from lettings

	Residential and nursing homes £'000	Supported housing and special needs £'000	2009 Total £'000	2008 Total £'000
Management	11,721	2,876	14,597	12,814
Day to day maintenance (including cyclical)	574	263	837	784
Major repairs	177	81	258	208
Rent losses from bad debts	34	(28)	6	81
Depreciation of properties	329	66	395	178
	12,835	3,258	16,093	14,065

Units/bedspaces in management at end of year

	2009 Number	2008 Number
Residential and nursing homes	615	641
Supporting houses and special needs	295	278
Total units in management	910	919

In addition to bedspaces and units in management the association also provides 319 (2008: 492) floating support, tenant support and domiciliary care services across the areas to a varying number of clients.

Notes to the Financial Statements

Year ended 31st December 2009

6. Hostels managed by partners

Where the managing agent carries the financial risk, the income and expenditure account includes only that income and expenditure which relates solely to the Association. Other income and expenditure of hostels in this category is excluded from the income and expenditure account of the Association. The income and expenditure which relates to the managing agencies is shown below.

	2009 £'000	2008 £'000
Turnover	586	566
Operating costs	(586)	(566)
Operating surplus/(deficit) for the year	-	-
	Number	Number
Number of units	67	67

7. Operating surplus

The operating surplus is stated after charging:

	2009 £'000	2008 £'000
Depreciation – properties for letting	395	177
Depreciation – other tangible assets	321	265
External auditors remuneration		
– In their capacity as auditors	21	23
– In respect of other services	-	-

8. Interest receivable and other income

	2009 £'000	2008 £'000
Bank interest receivable	-	14
Interest on loans to staff	1	1
Inter-company loan interest	77	-
	78	15

Notes to the Financial Statements

Year ended 31st December 2009

9. Interest payable and similar charges

	2009 £'000	2008 £'000
Interest on loans – repayable by instalments in more than 5 years	370	285
Inter-company loan interest	12	39
Gross interest payable	382	324
Less capitalised development interest	(35)	-
	<u>347</u>	<u>324</u>

Interest has been capitalised at a rate of 2.5% in the year (2008: nil)

10. Employee information

The average number of staff employed by Hafod Care Association Limited during the year was as follows:

	2009 Number	2008 Number
Housing management and care services	599	509
The total number of staff employed at the end of the year was:	<u>626</u>	<u>572</u>

Certain staff were employed by Hendre Limited under joint contracts of employment with all subsidiary members of the Group. The cost of staff directly employed by Hafod Care Association was as follows:

	2009 £'000	2008 £'000
Wages and salaries	7,532	6,070
Social security costs	545	455
Pension costs	221	299
	<u>8,298</u>	<u>6,824</u>

The charge for pension represents contributions paid by the Association to the pension schemes. Amounts payable to the schemes at the year end were Nil (2008: Nil).

Additionally, Hendre Limited recharged staff costs of £1,014,203 (2008: £821,907) to the Association in respect of services provided by those staff employed under joint contracts of employment.

Notes to the Financial Statements

Year ended 31st December 2009

11. Members' and senior executives' emoluments

Emoluments paid to senior executives of the Association were as follows:

	2009 £'000	2008 £'000
Emoluments	158	152
Pension contributions	19	18
Total emoluments	177	170

Emoluments paid to the highest paid director (Managing Director)

	2009 £'000	2008 £'000
Emoluments	93	87
Pension contributions	11	10
Total emoluments	104	97

The number of directors who received emoluments (excluding pension contributions) were in the following ranges:

	Number	Number
£60,001 - £65,000	-	1
£65,001 - £70,000	1	-
£85,001 - £90,000	-	1
£90,001 - £95,000	1	-

The Managing Director is an ordinary member of the Association's defined contribution pension scheme with Scottish Widows Fund and Life Assurance Society. No enhanced or special terms apply to his membership and the Association makes no contribution to any individual pension arrangement in respect of the Managing Director.

No emoluments were paid to members of the Board during the year. Expenses paid during the year to Board members amounted to £2,250 (2008: £1,989).

12. Designated reserves

	Equipment renewals £'000	Special reserves £'000	Total 2009 £'000	2008 £'000
At beginning of year	3	32	35	41
From/(to) revenue reserves	-	2	2	(6)
At end of year	3	34	37	35

The equipment renewal designated reserves will be utilised in accordance with the requirements for replacing furniture, fixtures and equipment at specific schemes as and when replacement is required.

Notes to the Financial Statements

Year ended 31st December 2009

13. Revenue reserves

	2009	2008
	£'000	£'000
At beginning of year	13,917	14,971
Surplus for the year	493	89
(To)/from designated reserves	(2)	6
Actuarial loss on pension scheme	(371)	(1,149)
At end of year	14,037	13,917

14. Tangible fixed assets – properties for letting

	Properties held for letting £'000	Schemes in progress £'000	2009	2008
			Total	Total
			£'000	£'000
Cost				
At beginning of year	28,502	3,320	31,822	23,471
Additions and other capitalised costs	658	7,206	7,864	8,351
Schemes completed in the year	636	(636)	-	-
Transfers from Hafod Housing Association	8,251	-	8,251	-
Transfers to Hafod Housing Association	-	(7,709)	(7,709)	-
At end of year	38,047	2,181	40,228	31,822
Depreciation				
At beginning of year	801	-	801	624
Charges for year	395	-	395	177
At end of year	1,196	-	1,196	801
Net book value				
At end of year	36,851	2,181	39,032	31,021
At beginning of year	27,701	3,320	31,021	22,847
Properties held for letting comprise:				
Freehold land and buildings			35,496	27,189
Long leasehold land and building			4,732	4,633
			40,228	31,822

Direct development administration costs capitalised in the year amounted to £368,629 (2008: £256,548).

Interest of £35,118 (2008: Nil) has been capitalised during the year.

There has been no major repairs expenditure capitalised in the year (2008: Nil).

Notes to the Financial Statements

Year ended 31st December 2009

15. Social housing grant

	Properties held for letting £'000	Schemes in progress £'000	2009 Total £'000	2008 Total £'000
At beginning of year	6,644	1,771	8,415	6,058
Receipts	11	4,848	4,859	2,357
Transfers to Hafod Housing Association	-	(4,569)	(4,569)	-
At end of year	6,655	2,050	8,705	8,415

Social housing grant is repayable unless formally abated. Any grant becoming repayable on a property sale may be re-utilised on new property development subject to certain conditions.

16. Impairment review

Under FRS11 an impairment review is only required if there is some indication that impairment has occurred. The Association considers, in arriving at a conclusion as to whether impairment may or may not have occurred, that it is appropriate to group the income generating assets of the Association in line with that used for internal management reporting and accounting. The carrying value in each of these categories (cost less SHG, other grants and depreciation) at the year end is as follows:

	2009 £'000	2008 £'000
Residential and nursing homes	22,887	14,654
Supported housing and special needs accommodation	7,440	7,952
	30,327	22,606

The Association is satisfied, by consideration of a number of factors, that there is no indication of impairment to the residential homes, nursing homes and special needs category of assets, and thus considers that a full, detailed impairment evaluation is not required. In arriving at this conclusion the Association has considered the current level of demand for property across all areas and property types, the low level of void losses, current and projected cashflows, and the ongoing investment in property maintenance and improvement.

The Association's residential homes in the Vale of Glamorgan and Cardiff are currently under lease from the respective local authority. The Association's residential and nursing homes and special needs accommodation all have remaining economic useful lives of less than 50 years and therefore a specific impairment review is not required.

Notes to the Financial Statements

Year ended 31st December 2009

17. Other tangible fixed assets

	Residential and nursing home equipment £'000	2009 Total £'000	2008 Total £'000
Cost			
At beginning of year	3,483	3,483	2,962
Additions during year	433	433	521
At end of year	<u>3,916</u>	<u>3,916</u>	<u>3,483</u>
Depreciation			
At beginning of year	2,759	2,759	2,494
Charge for year	321	321	265
At end of year	<u>3,080</u>	<u>3,080</u>	<u>2,759</u>
Net book value			
At end of year	<u>836</u>	<u>836</u>	<u>724</u>
At beginning of year	<u>724</u>	<u>724</u>	<u>468</u>

18. Stock (property for sale)

	2009 £'000	2008 £'000
Assisted living units	<u>129</u>	<u>882</u>

As at 1st January 2009, the Association Limited was actively marketing six units for sale. During 2009, two units were sold; at the end of the year one unit remained in stock for which the sale has been completed in February 2010. The remaining three units have been transferred to Fixed Assets (housing properties held for letting).

Notes to the Financial Statements

Year ended 31st December 2009

19. Debtors due within one year

	2009 £'000	2008 £'000
Arrears of rent and service charges	366	447
Less: provision for bad and doubtful debts	(185)	(179)
	<u>181</u>	<u>268</u>
Staff loans	10	18
Inter-company debtors	2,253	-
Other debtors and prepayments	1,129	939
	<u><u>3,573</u></u>	<u><u>1,225</u></u>

Staff loans of £9,510 (2008: £18,310) consists of loans to four (2008: six) employees. Terms of these loans include a repayment period up to 3 years and interest rates of up to 6% per annum (APR 9.31%).

20. Debtors due after one year

	2009 £'000	2008 £'000
Inter-company loan	<u>-</u>	<u>2,500</u>

A loan of £2,500,000 which was made to Hendre Limited on 31st December 2008 was repaid during the year.

21. Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Revenue grants	23	48
Capital grants in advance	583	1,264
Interest on housing loans	50	51
Development costs	83	159
Other tax and social security	339	348
Other creditors and accruals	2,209	2,314
Inter-company creditors	760	416
	<u><u>4,047</u></u>	<u><u>4,600</u></u>

Notes to the Financial Statements

Year ended 31st December 2009

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

	2009 £'000	2008 £'000
Housing loans	15,575	8,676

23. Housing loans

Housing loans are secured by specific charges on the Association's properties. The interest rates on the majority of the borrowing vary with market rates, although a small loan has fixed rate interest at 9.5%.

	2009 £'000	2008 £'000
Repayable by instalments due as follows:		
Two or more but less than five years	440	-
Five years or more	15,135	8,676
	15,575	8,676

24. Non equity share capital

	2009 £'000	2008 £'000
Shares of £1 each fully paid and issued at par		
At beginning of year	17	16
Shares issued during the year	-	2
Shares forfeited in the year	-	(1)
At end of year	17	17

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends, redemption, or distribution on a winding up.

Notes to the Financial Statements

Year ended 31st December 2009

25. Capital commitments

	2009 £'000	2008 £'000
Expenditure contracted less certified	1,786	1,182
Expenditure authorised by the Board but not contracted	-	-
	<u>1,786</u>	<u>1,182</u>

The Board expect that any expenditure they have authorised will be fully financed by grants, mortgage loans and reserves.

26. Contingent liabilities

The Association is not aware of any contingent liabilities at the end of the year (2008: Nil).

27. Reconciliation of movements in funds

	2009 £'000	2008 £'000
At beginning of year	13,952	15,012
Surplus for the year	493	89
Actuarial loss on pensions scheme	(371)	(1,149)
At end of year	<u>14,074</u>	<u>13,952</u>

28. Reconciliation of the operating surplus to net cash inflow from operating activities

	2009 £'000	2008 £'000
Operating surplus	818	319
Depreciation of tangible fixed assets	716	442
Pension costs in excess of contributions	34	92
Working capital movements:		
Decrease in stock	753	3,971
Decrease/(increase) in debtors	152	(2,090)
Increase in creditors	205	1,136
Net cash inflow from operating activities	<u>2,678</u>	<u>3,870</u>

Notes to the Financial Statements

Year ended 31st December 2009

29. Reconciliation of net cash flow to movement in net debt (note 30)

	2009 £'000	2008 £'000
Increase/(decrease) in cash in the year	1	(49)
Cash inflow from changes in debt	(6,898)	(2,879)
Movement in net debt in the year	(6,897)	(2,928)
Net debt at 1 January	(8,632)	(5,704)
Net debt at 31 December	<u>(15,529)</u>	<u>(8,632)</u>

30. Analysis of changes in net debt

	At 1 January 2009 £'000	Cash flows £'000	At 31 December 2009 £'000
Cash at bank and in hand	44	1	45
Debt due in more than one year - housing loans	(8,676)	(6,898)	(15,574)
Total	<u>(8,632)</u>	<u>(6,897)</u>	<u>(15,529)</u>

Notes to the Financial Statements

Year ended 31st December 2009

31. Related party transactions

The Association is a subsidiary of Hendre Limited and co-subsiary with Hafod Housing Association Limited, Rhondda Housing Association Limited, Foundation Housing Tai Sylfaen Limited, Yellow Wales and Thornhill Construction Limited and has taken advantage of the exemptions contained in FRS8 and therefore not disclosed group transactions or balances where 100% of the equity is controlled by the group and its parent publishes consolidated accounts.

None of the Association's Senior Executives or Board had any related party transactions with the Association during the year which require disclosure.

The following individuals who served on the Boards of either the parent or its subsidiaries were also tenants or leaseholders of the subsidiaries:

		Hendre Limited	Hafod Housing Association Limited	Hafod Care Association Limited	Rhondda Housing Association Limited	Foundation Housing/Tai Sylfaen Limited	Yellow Wales
Mrs V Ibbertson	Tenant - Hafod Care	-	Board	Board	-	-	-
Mr I Jenkins	Leaseholder - Hafod Housing	Board	-	Board	-	-	-
Mrs G Kendall	Tenant - Hafod Housing	-	Board	-	-	-	-
Mrs S Sansom	Tenant - Hafod Housing	-	Board	-	-	-	-
Ms A Page	Tenant - Rhondda Housing	-	-	-	Board	-	-
Ms J Williams	Tenant - Rhondda Housing	-	-	-	Board	-	-
Mr R Sparks	Tenant - Rhondda Housing	-	-	-	Board	-	-
Ms C Roberts	Tenant - Rhondda Housing	-	-	-	Board	-	-
Mr S Jones	Tenant - Rhondda Housing	-	-	-	Board	-	-

The tenancies of these Board Members are on normal commercial terms and their position as Board Members do not confer any advantage on these individuals as either tenants or leaseholders.

Cllr J Singh, MBE, JP is also considered a related party due to the fact he is a councilor on Cardiff City Council, and Hafod Care Association Limited enter into business transactions/negotiations with this council.

32. Other finance (cost)/income

	2009 £'000	2008 £'000
Expected return on pension scheme assets	257	398
Interest on pension scheme liabilities	(313)	(319)
	<u>(56)</u>	<u>79</u>

Notes to the Financial Statements

Year ended 31st December 2009

33. Pension scheme

For employees that are members of the Torfaen Local Government Pension Scheme the Association operates a pension scheme providing benefits based on final pensionable pay. The latest full actuarial evaluation was carried out at 31st March 2007 and was updated for FRS17 purposes to 31st December 2008 and 31st December 2009 by a qualified independent actuary.

The contribution rate payable by the Association for all its employees in the scheme is 13.25%. Contributions paid during the year were £91,000 (2008: £101,000).

The main assumptions used in this valuation were:

	At end of 2009 %	At end of 2008 %	At end of 2007 %	At end of 2006 %	At end of 2005 %
Rate of increase in salaries	5.2	4.4	4.9	4.5	4.3
Rate of increase in pension in payment and deferred pensions	3.7	2.9	3.4	3.0	2.8
Discount rate applied to scheme liabilities	5.7	5.8	5.8	5.1	4.7
Inflation assumption	3.7	2.9	3.4	3.0	2.8

Mortality assumptions:

The following standard mortality tables were used in the evaluation:

Post retirement mortality assumptions

- Non-retired members (retiring in future in normal health) PFA92mc YoB Tables + 1 year
- Current pensioners (retired in normal health) PFA92mc YoB Tables + 1 year

Life expectancy (at the end of the year)

- of a male (female) future pensioner aged 65 in 20 years time 22.2 (25.0) years
- of a male (female) current pensioner aged 65 21.1 (24.0) years

Commutation of pension for lump sum at retirement

50% take max cash; 50% take 3/80th cash

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Notes to the Financial Statements

Year ended 31st December 2009

33. Pension scheme (continued)

Scheme assets

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Value at 31 Dec 2009 £'000	Value at 31 Dec 2008 £'000	Value at 31 Dec 2007 £'000	Value at 31 Dec 2006 £'000	Value at 31 Dec 2005 £'000
Equities	4,487	3,384	4,645	4,277	3,659
Government bonds	459	479	433	352	306
Other bonds	436	409	428	352	310
Property	106	74	88	96	41
Cash/liquidity	106	307	264	256	246
Total market value of assets	5,594	4,653	5,858	5,333	4,562
Present value of scheme liabilities	(6,808)	(5,406)	(5,449)	(5,210)	(5,010)
Net pension (liability)/asset	(1,214)	(753)	409	123	(448)

The expected rate of return on assets is as follows:

	Long term rate of return at 31 Dec 2009	Long term rate of return at 31 Dec 2008	Long term rate of return at 31 Dec 2007	Long term rate of return at 31 Dec 2006	Long term rate of return at 31 Dec 2005
	%	%	%	%	%
Equities	7.5	6.5	7.5	7.0	7.0
Government bonds	4.5	3.8	4.5	4.5	4.1
Other bonds	5.3	5.8	5.8	5.1	4.7
Property	6.5	5.5	6.0	6.0	6.0
Cash/liquidity	0.5	2.0	5.5	5.0	4.5

Notes to the Financial Statements

Year ended 31st December 2009

33. Pension scheme (continued)

Movement in deficit for the year

	2009 £'000	2008 £'000
(Deficit)/surplus at the beginning of year	(753)	409
Current service cost	(125)	(161)
Contributions paid	91	136
Past service cost	-	(67)
Other finance (cost)/income	(56)	79
Actuarial loss	(371)	(1,149)
Deficit at the end of year	<u>(1,214)</u>	<u>(753)</u>

Movement in plan assets for the year

	2009 £'000	2008 £'000
Assets at the beginning of year	4,653	5,858
Expected return on assets	257	398
Actuarial gain/(loss)	721	(1,690)
Employer contributions	91	136
Employee contributions	42	45
Benefits paid	(170)	(94)
Assets at the end of year	<u>5,594</u>	<u>4,653</u>

Movement in plan liabilities for the year

	2009 £'000	2008 £'000
Liabilities at the beginning of year	5,406	5,449
Service cost	125	161
Interest cost	313	319
Employee contributions	42	45
Actuarial loss/(gain)	1,092	(541)
Benefits paid	(170)	(94)
Past service cost	-	67
Liabilities at the end of year	<u>6,808</u>	<u>5,406</u>

Notes to the Financial Statements

Year ended 31st December 2009

33. Pension scheme (continued)

Analysis of other pension costs charged in arriving at operating surplus

	2009 £'000	2008 £'000
Current service cost	(125)	(161)
Past service cost	-	(67)
	<u>(125)</u>	<u>(228)</u>

Analysis of amounts included in other finance (cost)/income

	2009 £'000	2008 £'000
Expected return on pension scheme assets	257	398
Interest on pension scheme liabilities	(313)	(319)
	<u>(56)</u>	<u>79</u>

Analysis of amount recognised in statement of total recognised surpluses and deficits

	2009 £'000	2008 £'000
Actuarial gain/(loss) on scheme assets	721	(1,690)
Actuarial (loss)/gain on scheme liabilities	(1,092)	541
Actuarial loss recognised	<u>(371)</u>	<u>(1,149)</u>

Cumulative actuarial losses reported in the statement of total recognised gains and losses for the accounting periods ended on or after June 2002 and subsequently included by prior year adjustment under Paragraph 96 of FRS 17 are £857,000 (2008: £486,000).

Notes to the Financial Statements

Year ended 31st December 2009

33. Pension scheme (continued)

History of experience gains and losses

		2009	2008	2007	2006	2005
Actuarial gain/(loss) on scheme assets						
Amount	£'000	721	(1,690)	52	288	543
Percentage of year end scheme assets	%	12.9	36.3	0.9	5.4	11.9
Actuarial (loss)/gain on scheme liabilities						
Amount	£'000	(1,092)	541	224	226	(658)
Percentage of year end scheme liabilities	%	16.0	10.0	4.1	4.3	13.1
Total amount recognised in statement of total recognised surpluses and deficits						
Amount	£'000	(371)	(1,149)	276	514	(115)
Percentage of year end scheme liabilities	%	5.4	21.3	5.1	9.9	2.3

The company expects to contribute approximately £100,000 to the scheme in the next financial year.