



Tai

AELWYD

Housing

Annual Report

2024- 2025



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Our vision and values

Our vision is our core purpose and the reason why Aelwyd Housing exists. Our Values are at the heart of everything we do and shape our culture. They flow through the way we deliver services, in every interaction with residents, and in how we appreciate and treat our staff.

Providing homes and building communities through Christian care and compassion



Our objectives



Provide high-quality, well maintained, affordable homes to existing and prospective residents.



With the help of our residents, ensure a continually improving resident-orientated service.



Ensure long-term viability as a Registered Social Landlord is maintained, and develop the business only when appropriate opportunities arise.



Maintain and develop our Christian identity.



Ensure Aelwyd Housing is well managed by continuing to review and develop our governance, financial and operational structures.



Ensure the Association remains community-centred and utilises the involvement of volunteers, professionals and local support agencies.



Ensure that, wherever possible, any money spent by the Association has a positive economic impact within the local community.



Foster a working environment that ensures each and every member of staff feels valued and has a keen sense of ownership of the Association's objectives.

Our strategic priorities

Our strategic priorities are set by our Board of Management and form our **Business Plan 2025-30**. We have a five-year Corporate Workplan that flows from these priorities.

Strong
foundations



Excellent
homes and
services



Maximum
impact



Chair and Chief Executive's review

Welcome to our Annual Report 2024/25 which highlights the work and achievements of the Association during the financial year ending 31st March 2025.

The Association continued to live out its Christian ethos and values by providing excellent homes and services to people across South Wales with care and compassion.

We continued to realise our ambition to help more people in housing need by taking ownership of additional homes in Neath Port Talbot. Partnership working with the local authority and the receipt of Transitional Accommodation Capital Programme funding from Welsh Government meant we could purchase two family sized homes. Most of the Association's homes remain suitable for older people, but during the year we were delighted to also welcome families with children who were at risk of homelessness. Being part of someone's life story and helping to change outcomes is a privilege that we never take for granted.

We successfully obtained a Welsh Government loan to support more growth in the life of our Business Plan 2025-30. We partnered with Gwalia Rest Bay, a resident owned co-operative in Bridgend County to provide management services to 29 homes which expanded our work into a total of 11 local authorities.

Although the Association grew and continued to do more, we didn't forget to keep getting the basics right. Rent arrears remained among the lowest in the housing sector thanks to our personalised approach in supporting residents. Our annual 'What matters' visits to every resident also helped ensure we could provide the right support on a range of issues when needed. When homes became empty, we turned them around quickly to a high standard, minimising rental loss.

Our culture and approach means we remain the best performing traditional social landlord in Wales on resident satisfaction. Our approach to managing our relationship with contractors also meant residents were 100% satisfied with how we carry out repairs.





Anne Hinchey, Chair

Sharon Lee, Chief Executive

The Board recognised the importance of a strong infrastructure to support growth and keep our services at the high standard we expect. During the year we invested in our IT systems by becoming completely cloud based, and implemented a new housing management and finance system, and installed software to help us manage the pathway to making homes more energy efficient.

During the year significant investment was made in our existing homes with upgraded fire safety works, and replacement door entry systems. In March 2025

we submitted our statement of compliance with the Welsh Housing Quality Standard. We were delighted to report that our homes are in very good condition and on track to comfortably meet the energy efficiency element of the standard by 2030.

None of this would be possible without a strong financial footing, exceptional Board and staff, and by being good stewards of the resources we have been blessed with as an organisation. We ended the year with a healthy financial surplus and ambition to keep changing lives across South Wales.

Strong foundations

During the year we reviewed our IT infrastructure and invested to strengthen resilience and cyber security. We installed faster broadband in our office, decommissioned our end of life servers and became a fully cloud based organisation. This gave us the foundation to implement a new housing, asset, and finance management system. The investment in our IT infrastructure improved processes with contractors and made possible an online resident portal where residents can access their rent accounts and key information about their tenancy and home. The organisation continued to move away from paper based processes and this improved efficiency and data management.

We focused on Treasury Management and ensured we made the right decisions with borrowing and investments. We obtained a £1million Welsh Government loan to help purchase more homes and were successful in obtaining £147,552 in grant funding to improve homes and help them become more energy efficient. A rent settlement for 2025/26 was agreed which balances affordability for residents with ensuring sufficient income to carry out investment in homes. We strengthened our staffing team by appointing an additional Surveyor to lead on our work towards decarbonisation and making our homes energy efficient for residents.

Operating Surplus

£268,682

2024/2025

£289,897

2023/2024

Net Rent Arrears

0.70%

31 March 2025

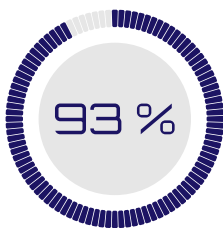
0.80%

31 March 2024

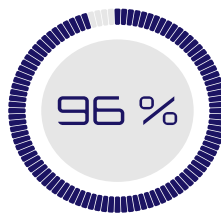


Excellent homes and services

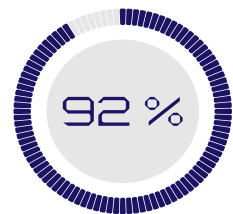
During the year we let 19 homes to people in housing need in communities across South Wales, which included six homes to people facing homelessness. We're delighted that 100% of new residents told us they were very happy with their new home. We continued to carry out repairs quickly and ensured our homes were health and safety compliant. Significant investment was made in fire safety and detection works, including the installation of the LD1 fire detection systems in homes. A programme to upgrade door entry systems commenced during the year with the decommissioning of hard wired systems and the installation of a new wireless system allowing residents to use smart technology to manage access to buildings. Our homes were compliant with the Welsh Housing Quality standard with 93% of homes achieving an EPC SAP score of 75 or above.



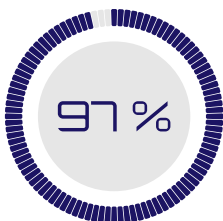
Residents satisfied with **services provided**



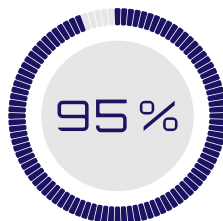
Residents who think that **their rents provide value for money**



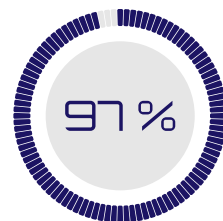
Residents satisfied that **we listen to their views and act on them**



Residents satisfied that **they have a safe and secure home**



Residents satisfied with **their neighbourhood and opportunities to have a say in how services are managed**



Residents who **trust us as their landlord**

Resident satisfaction with repairs service

100%

Standard of service
Good / very good

100%

Way repair
was arranged
Good / very good

100%

Contractor
professionalism
Good / very good



Repair orders raised

1452

2024/2025

1480

2023/2024



Vacant home income loss

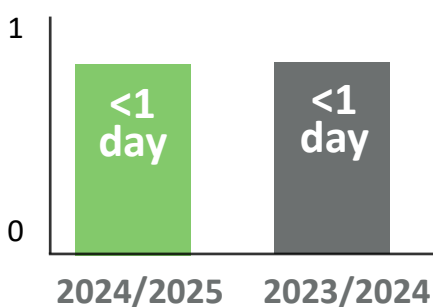
0.50%

2024/2025

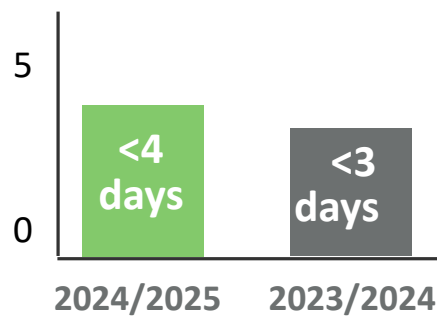
0.75%

2023/2024

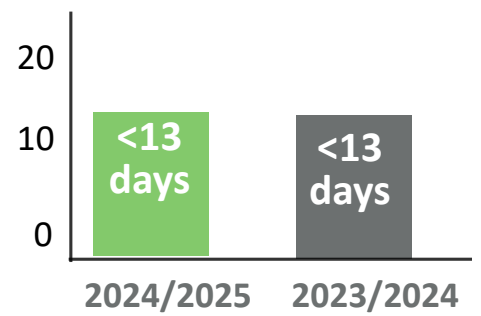
Average response time for emergency repairs



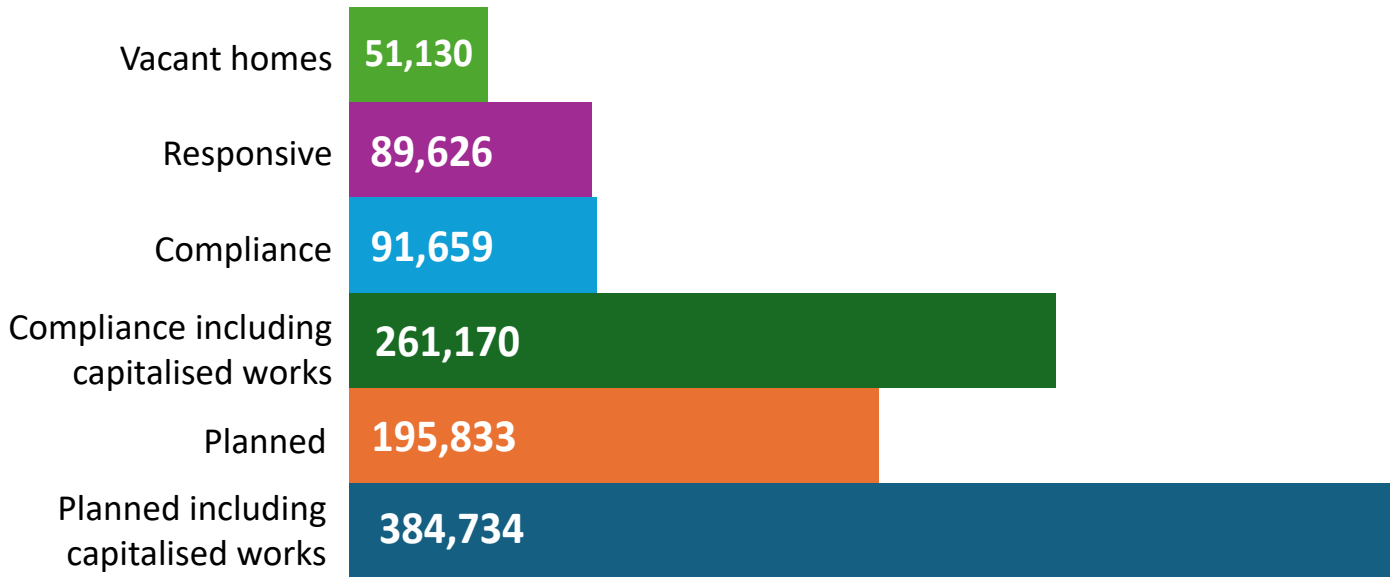
Average response time for urgent repairs



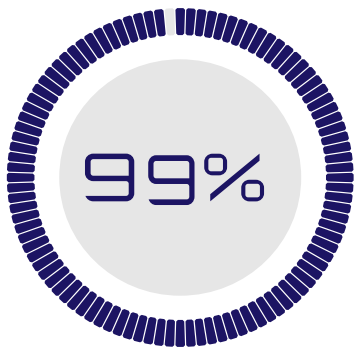
Average response time for routine repairs



Expenditure on homes



Gas and electrical safety compliance as at 31 March 2025



**Gas
compliant**



**Electrical
compliant**

Maximum impact

The Association aims to make the best use of our capacity and resources to have the maximum impact in communities. We acquired two additional homes in Neath Port Talbot during the year with a WG funding contribution through the Transitional Accommodation Capital Programme. Working in partnership with the local authority, and following improvement works, the homes were allocated to families facing homelessness.

In April 2024 we became the Managing Agent for Gwalia Rest Bay, a resident owned co-operative in Bridgend County. The Association supports the co-operative with a full housing management and maintenance service and now operates in 11 local authorities across South Wales.

The Association is committed to decarbonising our homes and making them as energy efficient as possible for residents. The Board approved funding to continue with a fabric first approach, with the installation of solar PV roofs at a number of homes planned for 2025/26. The Association installed specialist software to help us plan Target Energy Pathways for all our homes, and installed sensors in homes to help manage data on energy usage, so the right advice and solutions can be provided for residents. To fully fund the decarbonisation and energy efficiency journey, will require significant subsidy, and the Association will continue to work with Welsh Government and the housing sector to acquire appropriate funding where possible.

Value for Money



- **0.80p** in every £1 we spent stayed in Wales
- **70%** of our suppliers were based in Wales

Value for Money indicators are used by the social housing sector in Wales to measure performance in key areas

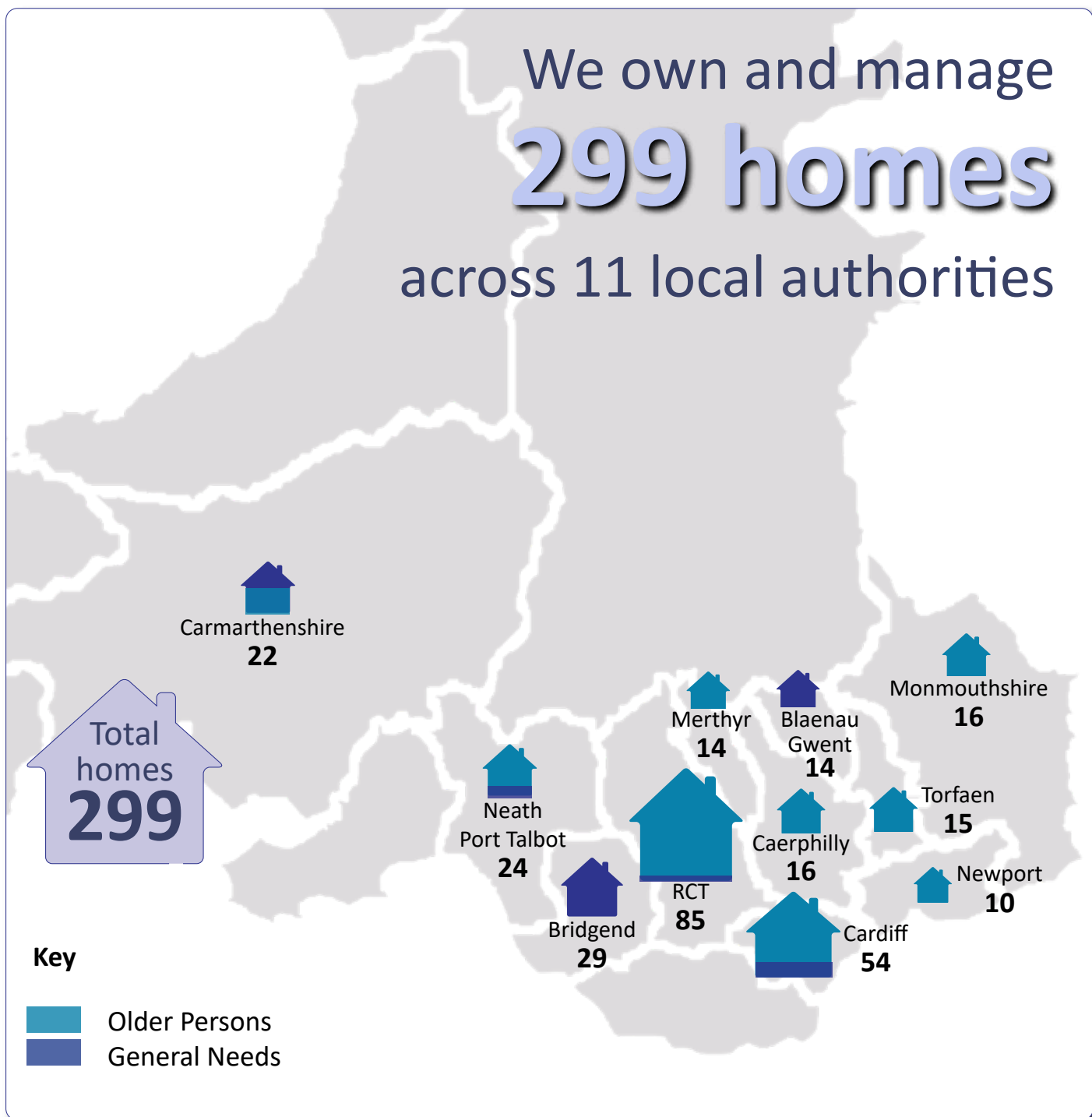
Total Operating Costs per Social Housing Unit £4,647 (2024/25) £4,584 (2023/24)	Management Costs per Social Housing Unit £933 (2024/25) £980 (2023/24)	Reactive Repair Costs per Social Housing Unit £1,481 (2024/25) £1,229 (2023/24)
Bad Debts per Social Housing Unit £14 (2024/25) £29 (2023/24)	Major Repairs & Component Costs per Social Housing Unit (Capital Expenditure) £1,845 (2024/25) £1,015 (2023/24)	Weighted Average Cost of Capital 2023/24 Interest Rate* 5.4% (2024/25) 11.3% (2023/24)
Free Cash Inflow (Outflow) per Social Housing Unit £1522 (2024/25) £551 (2023/24)	Gross Arrears/Social Housing Turnover 2.0% (2024/25) 1.8% (2023/24)	Turnover per Social Housing Unit £6,132 (2024/25) £5,939 (2023/24)
	Rental void loss per Social Housing Unit £27 (2024/25) £45 (2023/24)	

* The Weighted Average Cost of Capital relates to how much it cost us to borrow money.

More about us

Aelwyd Housing was formed in 1991 with a vision to demonstrate Christian care by meeting housing need in communities across South Wales. Most of our homes are built on former church land in the heart of Welsh communities. The majority of our homes are suitable for people aged over 55 years, although we also own general needs homes suitable for families and younger people. We provide

management services to The Willie Seager Memorial Trust which owns ten homes for retired seafarers in Cardiff and Gwalia Rest Bay a co-operative with 29 homes in Porthcawl. The Association is a Registered Social Landlord, and a registered society under the Co-operative and Community Benefit Societies Act 2014. We are regulated by the Welsh Government and a member of Community Housing Cymru.



Our Board of Management

as at 31 March 2025

Our Board of Management consists of between five and fifteen non-executive members (including co-optees) and is responsible for good governance and the strategic direction of the Association. Board members come from diverse backgrounds, with the right skills, knowledge, and experience to lead the Association.



Anne Hinchey, Chair

Anne has worked in housing since the 1980's and has extensive experience in the voluntary, local authority and housing association sectors. She is the Group Chief Executive of Wales & West Housing. In 2013 she won the Most People Focused CEO of the Year at the HR Excellence Awards, and in 2019 was Woman of the Year

(Leadership) at the Women in Housing Awards. Anne joined the Board in 2019 and became Chair in 2020. She is a member of her local church and volunteers for Guide Dogs Cymru.

Meetings attended: 6/6



Jerome Fanfare

Jerome joined the Board in 2020 and is a Senior Contract and Partnership Manager at United Welsh Housing Association. Jerome has extensive experience in housing management, supported housing, homelessness and safeguarding. Jerome is a member of the Audit

Committee.

Meetings attended: 3/6 Audit Committee 3/3



Jonathan Hughes

Jonathan has worked in senior development and Local Authority regeneration roles for 30 years. He has also worked in the homelessness sector and currently works for Cwmpas supporting community led housing. Jonathan is a member of his local Parish Church. He is a member of the Parochial

Church Council and a Lay Member of the Governing Body of the Church in Wales. He joined the Board in 2021.

Meetings attended: 5/6 Audit Committee 3/3



Claire Boot

Claire is the Property Officer and Assistant Company Secretary for the United Reformed Church (URC) National Synod of Wales, based in Cardiff. She is also a freelance writer with extensive experience in communications and was previously a housing association resident in London. Claire is a member of her local church, which is an ecumenical

partnership between the URC and the Presbyterian Church of Wales. Claire joined the Board in 2022.

Meetings attended: 2/6



Hayley Grist

Hayley Joined the Board in 2022 and has worked in the homelessness sector for several years. She worked for a national Christian homelessness charity where she led on a mentoring and support project for people experiencing homelessness. Hayley currently works for her local church, where she

is also part of the leadership team serving communities in Bridgend.

Meetings attended: 3/6



Robert Lynbeck

Robert is an experienced Strategic Director having worked in the public and third sectors for over four decades in Executive Director roles at a large Welsh housing association and three local authorities. He is a Trustee of several charities and a Governor of a local High School. A Fellow of both the Royal Geographical Society and the Chartered Institute of Housing he

is also a Chartered Arbitrator. Robert joined the Board in 2022.

Meetings attended: 6/6

Our Board adheres to the 'Code of Good Governance' for Housing Associations, produced by Community Housing Cymru. The Board meets throughout the year to provide scrutiny, manage risk, monitor our performance, and to make strategic decisions. We also have an Audit Committee which provides oversight of our Internal and External Audit function.



James O'Connor

James is an experienced Chartered Accountant. He worked for more than a decade across three continents before moving to lead finance teams in the Welsh social housing sector in 2016. He is currently Director of Corporate Finance at Pobl Group. He is an ecumenical Christian with a focus on lived faith and has been part of the

leadership team or church council in different denominations over many years. James joined the Board in 2021.

Meetings attended: 6/6



Michael Stone

Michael is the Assistant Director of Business Design at Astor Group, a large housing provider in the South West of England. He has worked within housing and across operational delivery for several years. Michael has been responsible for delivering large technology projects throughout his career, focusing on customer

self-service digital solutions. He joined the Board in 2018.

Meetings attended: 3/6



Ellie Vinter

Ellie joined the board in 2022. She began her career in local government as a graduate trainee at Newport City Council in 2019. Since then, Ellie has worked on a range of projects and within homelessness, housing support and social housing, and now works as a Housing Officer for Bristol City Council. Ellie attends her local Church

in Bristol where she is an active member of the church family there.

Meetings attended: 4/6



Peter Sargent

Peter is Director of Finance and Operations at Elrha, a grant making charity funding research and innovation to inform and improve humanitarian responses globally. Much of his experience is in the international development and environmental sectors working across Africa, Asia, and Europe. Since 2012, he has been based in the UK and is an

active member of his local church in Cardiff. He was the Chair of the Welsh Centre for International Affairs. Peter joined the Board in 2022 and is the Chair of the Audit Committee.

Meetings attended: 4/6 Audit Committee 3/3



Reverend Peter Idris Taylor

Reverend Peter Idris Taylor is a retired Pastor and church leader, former Moderator of the South Wales Baptist Association and a former President of the International Baptist Convention. He serves on the boards of several charities and is experienced in housing provision having previously served on the board of an Abbeyfield

Society. Peter Idris joined the Board in 2021 and is also a member of the Audit Committee.

Meetings attended: 6/6 Audit Committee 3/3



Marc Pensom

Marc is an experienced technology and data professional, with over 25 years in various technology leadership roles. He currently leads the cyber security and data privacy practice for Wales & West Housing. Marc holds a Post Graduate Diploma in management, specialising in change and consultancy

management. He joined the Board in 2024.

Meetings attended: 5/5 (joined August 2024)

Retirements during the year:

- None

Statement of skills, qualities and experience required by the Board amongst its members

To effectively direct the affairs of the Association, the Board of Management must have the right balance of skills and experience. In accordance with the Rules of the Association, any member who has served a full term of three years must retire at the AGM and, although eligible for re-election for two further terms, must not serve beyond nine years, and there is the opportunity for the appointment of new members to the Board. There is also the facility for appointing co-optees to serve on the Board where specific skills or experience is lacking. The members of the Board should have collective skills, qualities and experience in the following:

- Business Management
- Finance
- Legal
- Audit
- Governance/Regulation
- IT/Digital/Cyber
- Human Resources
- Equality, diversity and inclusion
- Public bodies
- Voluntary/Faith sector
- PR & Communications
- Property management
- Health
- Homelessness
- Strategic housing
- Tenancy management
- Community development
- Safeguarding
- Welsh language

The Board will continually review its composition to ensure the Board membership reflects the needs of the Association.

A revised statement of skills, qualities and experience required will then be produced enabling the Association to target appropriate appointments when recruiting new Board members.

Individually, Board members should:

- Be able to work as part of a team
- Fully understand their responsibilities as Board members
- Have knowledge of, and be committed to the aims, obligations and ethos of the Association
- Devote sufficient time to the Association's business, and make an effective contribution.

The Board of Management is satisfied that its current members, and those offering themselves for election/re-election, collectively possess the necessary skills, qualities and experience to manage the Association's affairs in an efficient, effective and accountable manner.

General obligations and responsibilities

The responsibility of Board members is to focus on Aelwyd Housing's Mission Statement and the values and purposes set out in the Business Plan. Board members will not ordinarily get involved with the day to day running of the Association, which is the responsibility of the staff.

'Organisational and Board responsibilities are collective; the Board is a team and functions best when all members work together. It is the responsibility of all members to support the policies, procedures and core values of the Association.

Board member obligations and responsibilities

All Board members need to:

- be aware of and support the ethos, aims and objectives of the Association;
- attend, and properly prepare for, meetings of the Board and any relevant sub-committees;
- study and digest information provided by the staff; raising questions and seeking additional information where necessary;
- ensure that all the decisions taken by the Board and related sub-committees are in the Association's best interest and that its legal and social responsibilities are met as a landlord, employer and developer;
- plan the Association's future strategy with the use of a business plan;
- ensure the Association operates within the principles of Continuous Improvement;
- comply with statutory obligations in the promotion of equality, diversity and inclusion;
- approve policies and procedures of the various activities undertaken by the Association, ensuring compliance with these approved policies and procedures, and subject them to periodic reviews;
- control the Association's finances;
- comply with Aelwyd Housing's 'Code of Conduct for Board Members' and, at all times act with integrity and in a professional manner;
- strive to help ensure decision making is constructive, consensual and conducted in a supportive atmosphere;

- ensure that all resources are used efficiently and effectively, to the benefit of the Association's residents and the community at large;
- promote and publicise the work of the Association;
- undertake public relations on behalf of the Association through attendance at various relevant meetings etc;
- attend training and other external events to update and develop knowledge and skills;
- ensure that they do not undermine the work, or good name, of the Association, or the Social Housing Movement;
- ensure that the Board is independent of all other bodies.

Criteria for Shareholders

A shareholder of the Association is a person or body whose name and address is entered in the register of shareholders. Application for membership of the Association is open to all individuals, named nominees of unincorporated bodies, and corporate bodies; and in particular people with an active connection with the Association's work. It is therefore intended that our policy should encourage those who care, and are interested in the work of the Association to become shareholders.

As shareholders have the responsibility to elect Board members and to stand for election to the Board, it is expected that in considering an application, the Board will have regard to the following:

- The skills, qualities and experience the applicant will bring to the Association, including legal, business, financial, technical, community work, housing sector knowledge and experience, relevant public sector experience, human resources and governance;

- An awareness, understanding, and respect for the Christian ethos and values of the Association, and demonstrable empathy with social housing;
- The requirement that the applicant has the potential to become a Board Member.

In addition the Board will have regard to:

- Equality, diversity and inclusion, and the need to have a balance of people in the pool of Shareholders that reflects a diverse society and the communities in which the Association works.

Applications for Shareholder Membership

Aelwyd Housing residents are encouraged to apply for shareholder membership, subject to meeting the above criteria.

Membership opportunities will be communicated in the Association's Residents Newsletter and on the Association's website. Applications for membership will need to be completed in writing or electronically on the application form provided by the Association and accompanied by a £1 share fee.

All applications received will be placed before the Board for approval at the next meeting or as soon as practicable following receipt of the application. Each application will be considered on its own merit and in line with the rules of the Association. Approval is at the absolute discretion of the Board.

All applicants will be informed of the outcome of their application within 10 working days of its consideration. If an application is refused, the reasons for refusal will be given. Any subsequent applications from the applicant will only be considered after a twelve-month period.

Only one share will be allowed per person, and membership will be confirmed by the issue of a share certificate. Each share shall only carry one vote.

All members will receive the Association's annual report, statement of accounts, and will have notice of the annual and any special general meetings.

Any member will be entitled to stand for election to the Board in accordance with the Rules of the Association.

Exclusions to Shareholder Membership

The following may not be admitted as a Shareholder:-

- A person in respect of whom a registered medical practitioner who is treating that person gives a written opinion to the effect that that person has become physically or mentally incapable of acting as a Board member and may remain so for more than three months;
- A person in respect of whom, by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- A person who is disqualified from acting as a Director of a company for any reason, or has been convicted of an indictable offence;
- A minor;
- A person who has been expelled as a Shareholder, unless authorised by a resolution at a general meeting;
- An employee of the Association.

Our Management team as at 31 March 2025

Sharon Lee
Chief Executive



Sharon joined the Association as Chief Executive in 2020. She has extensive experience of working in housing and the homelessness sectors in Wales and England. She is a postgraduate and started her career as a Housing Assistant at Windsor & Maidenhead Council in 1994. She was the Director of Housing Justice Cymru a national homelessness charity prior to joining the Association. She was previously a member of the Senior Leadership Team at Wales & West Housing, and later became Chair of the Board. Sharon currently sits on the Boards of Community Housing Cymru and Valleys to Coast.

Clare Cooze
Director of Finance



Clare joined the Association in 2023 as the Director of Finance and has worked in the housing, homelessness, and voluntary sectors for almost 40 years. She is a Chartered Certified Accountant and worked for POBL Group as a Finance Manager before becoming a Business Analyst for the organisation. She volunteers as the Treasurer for V21 Cyfle Cymru, a Cardiff based charity which provides opportunities for people with learning disabilities to realise their potential.

Gemma Watkins
Director of Operations
(left organisation August 2025)



Gemma joined the Association in 2020. She has worked in the housing sector for over 20 years. She began her career working for Cardiff Council and became Head of Housing & Communities at Taff Housing before joining the Association. Gemma has served on several boards including CHC and Merthyr Valley Homes, and has mentored housing staff across the sector.



Welcoming residents across South Wales



Annual Report and Financial Statements Information

Co-operative and Community Benefit Society number:	27288R
Welsh Government registration number:	L108
Registered office:	9 Ty Nant Court Morganstown Cardiff CF15 8LW
Board:	Anne Hinchey (Chair) Claire Boot Ellie Vinter Hayley Grist James O'Connor Jerome Fanfare Jonathan Hughes (Resigned 03/06/25) Michael Stone (Resigned 22/05/25) Peter Idris Taylor Peter Sargent Robert Lynbeck Marc Pensom (Joined 14/08/2024)
Chief Executive:	Sharon Lee
Director of Finance:	Clare Cooze (Company Secretary)
Director of Operations:	Gemma Watkins
Bankers:	HSBC 15 Churchill Way Cardiff CF10 2HD
Solicitors:	Hugh James Solicitors 114-116 St Mary Street Cardiff CF10 1DY
External Auditors:	Bevan Buckland LLP Cardigan House Castle Court Llansamlet Swansea SA7 9LA
Internal Auditors:	Astari Limited 2 Alexandra Gate Ffordd Pengam Cardiff CF24 2SA

Report of the Board of Management

The Board of Management present their report and audited financial statements for the year ended 31 March 2025 for Aelwyd Housing Association Limited ('the Association').

Principal activities

The Association is a Registered Social Landlord whose principal activities are the management and maintenance of social housing within South Wales.

Review of the year

The Association's operating surplus amounted to £268,682 (2024: £350,580). The Association's surplus on ordinary activities amounted to a surplus of £284,012 (2024: £199,233) the revenue reserves at the year-end for the Association amounted to £2,159,949 (2024: £1,875,937)

The Association continued to prioritise stability and the delivery of services to residents as well as continued growth. During the year, two homes suitable for families were purchased in Neath Port Talbot with 70% funding from the Transitional Accommodation Capital Programme, and the Association became the Managing Agent for Gwalia Rest Bay, a co-operative of 29 homes in Bridgend County. The Association borrowed for growth for the first time in over 30 years with a low cost loan of £1m from the Welsh Government.

Significant investment was made in ensuring the future resilience of the Association's technology infrastructure with the decommissioning of end of life servers and a move to cloud based systems. In November 2024 a new housing and asset management system was implemented along with specialist software to plan the energy efficiency of homes. During the year the Board co-opted a new member with expertise and experience in IT and cyber security.

Income management remained strong with a proactive and supportive approach to residents in rent arrears. Net rent arrears at year end (31st March 2025) were 0.7%. Rents were set at an affordable level for residents in line with the Welsh Government rent settlement. Vacant property loss was well managed as the Association continued to be proactive in ensuring good quality affordable homes were allocated quickly to people in housing need.

The Association's Internal Auditor carried out reviews of business-critical areas including Key Financial Controls; Risk Management; Gas Servicing; Safeguarding; Maintenance; Governance; and Recruitment and Retention. Substantial Assurance was found in all Internal Audit reviews demonstrating the Association has robust systems and processes in place.

The Association continued to invest in maintaining the quality, safety, and security of residents' homes, raising 1066 maintenance orders for properties across ten local authorities. Capitalised planned maintenance was undertaken during the year with approximately £358k invested in homes. Works included door entry, fire detection system, and fire door upgrades. A total of £418k in grant aid was awarded by Welsh Government for the purchase of two homes, physical adaptations and Welsh Housing Quality Standards (WHQS) improvements. This included improved ventilation systems and fire stopping works. The Association was 99% compliant in gas safety testing, and 100% in electrical safety testing at year end. In March 2025 the Association submitted data to the Welsh Government to demonstrate compliance with WHQS. The data showed the Association's homes are in good condition and on track to meet the energy efficiency element of WHQS by 2030.

Despite the continued challenges of the economic climate and increases in the cost of living, the Association remains strong, financially viable and able to provide good homes and services to residents and people in housing need.

Report of the Board of Management

Statement of the responsibilities of the board for the report and financial statements

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

Housing Association legislation requires the Board to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS102) Under the Housing Association legislation the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Association for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers SORP 2014, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining an adequate system of internal control and keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Board Members are aware:

- there is no relevant audit information of which the Association's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Annual general meeting

The annual general meeting will be held on 24th September 2025.

External auditors

A resolution to re-appoint Bevan Buckland LLP will be proposed at the forthcoming annual general meeting.

The report of the board was approved by the Board on 20th August 2025 and signed on its behalf by:



.....
Anne Hinchey
Chair

Report of the Board of Management

Statement on corporate governance

The Board consists of between five and fifteen non-executive members (including co-optees) and is responsible for the control of the Association including the overall strategic policies and monitoring compliances. The Board Members are drawn from a wide background bringing together professional and commercial expertise and local experience.

Before election at a general meeting, candidates are required to provide a statement outlining their suitability to become a Board Member. Normally, prospective Members serve a period when they are co-opted to the Board before seeking formal election at a general meeting.

The Audit Committee has been formed to examine external audit and internal control matters and to oversee the work of the Internal Auditor. The Committee is made up of a minimum of three and a maximum of five Board Members, who are appointed annually, and meets at least three times each year.

Internal Financial Control

The Board acknowledge their ultimate responsibility for the Association's control system of internal financial control, which is designed to provide reasonable, but not absolute control regarding safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information used within the business.

The following mechanisms have been introduced which are designed to provide effective internal control:

- clearly defined management and reporting structures
- careful recruitment and an effective financial training programme
- regulations for staff
- management information and accounting systems with quarterly reporting of financial results and other performance indicators compared with forecasts
- monitoring of the control system by the appointment of the internal and external auditors.
- the Board also maintains a risk register, and this is reviewed quarterly.

The Board has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2025, in accordance with the Welsh Government Circular RSL 02/10, Internal Controls and Reporting. No weaknesses were found in the internal controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditors' report on the financial statements.

By order of the Board



.....
Clare Cooze
Company Secretary

Independent Auditor's Report to the members of Aelwyd Housing Association Limited on corporate governance

In addition to our audit on the financial statements for the year ended 31 March 2025, we have reviewed the Board's statement of Aelwyd Housing Association ("the association") compliance with the Welsh Government Circular 02/10, Internal Financial Control and Financial Reporting ("the Circular").

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

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

Opinion

With respect to the Board's statement on internal financial control on page 4, in our opinion the Board of Management has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work in the financial statements.



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

Date: 20th August 2025

Independent Auditor's Report to the members of Aelwyd Housing Association Limited

Opinion

We have audited the financial statements of Aelwyd Housing Association Limited for the year ended 31 March 2025 which comprise the statement of comprehensive income, the statement of changes in reserves, the statement of financial position, the cash flow statement, and its related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for Opinion

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

Conclusions relating to going concern

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

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the members of Aelwyd Housing Association Limited

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of Responsibilities of the Board (set out on page 12), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Independent Auditor's Report to the members of Aelwyd Housing Association Limited

Identifying and assessing potential risks related to irregularities.

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

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas;
 - Purchasing in relation to the maintenance programmes;
 - The recognition of development and maintenance expenditure in the correct period;
 - The rationale of any major fund flows during the period;
 - The potential of rent fraud arising as a result of collusion between the asset and housing teams.
- obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Association, the key laws, and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Independent Auditor's Report to the members of Aelwyd Housing Association Limited

Use of our report

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



Bevan Buckland LLP
Cardigan House
Castle Court
Llansamlet
Swansea
SA7 9LA

Date: 20th August 2025

Statement of Comprehensive Income

	Notes	2025 £	2024 £
Turnover	3a	1,758,012	1,764,998
Operating costs	3a	<u>(1,489,330)</u>	<u>(1,414,418)</u>
Operating surplus	5	268,682	350,580
Interest receivable and other income	6	51,228	19,156
Interest payable and similar charges	7	(79,898)	(54,503)
Net interest expense on pension scheme liabilities		(22,000)	(22,000)
Surplus for year		<u>218,012</u>	<u>293,233</u>
Other comprehensive income			
Actuarial gains/losses on defined benefit schemes		66,000	(94,000)
(Deficit)/surplus for the year		<u><u>284,012</u></u>	<u><u>199,233</u></u>

The accompanying notes form part of these financial statements.

None of the Association's activities were acquired or discontinued during the above two financial years.

Statement of Changes in Reserves

	Restricted Reserve £	Revenue Reserve £	Total Reserves £
At 1st April 2024	395,611	1,480,326	1,875,937
Surplus from statement of comprehensive income	<u>57,251</u>	<u>226,761</u>	<u>284,012</u>
At 31st March 2025	<u><u>452,862</u></u>	<u><u>1,707,08</u></u>	<u><u>2,159,94</u></u>

Statement of Financial Position

	Note	2025 £	2024 £
Non-current Assets			
Housing properties	11	8,292,969	7,751,736
Other tangible fixed assets	12	<u>45,100</u>	<u>8,863</u>
		8,338,069	7,760,599
Current Assets			
Debtors due within one year	13	224,414	97,770
Cash at bank and in hand		<u>1,765,962</u>	<u>1,168,113</u>
		1,990,376	1,265,883
Creditors: amounts falling due within one year	14	<u>(461,782)</u>	<u>(374,688)</u>
Net Current Assets		<u>1,528,594</u>	<u>891,195</u>
Total Assets Less Current Liabilities		9,866,663	8,651,794
Creditors: amounts falling due after more than one year	15	(7,353,692)	(6,272,810)
Pension Liability	19	(353,000)	(503,000)
Total Net Assets		<u>2,159,971</u>	<u>1,875,984</u>
Capital and Reserves			
Called up share capital	20	22	47
Reserves	21	<u>2,159,949</u>	<u>1,875,937</u>
Total Capital and Reserves		<u>2,159,971</u>	<u>1,875,984</u>

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board of Management on 25th August 2025 and signed on its behalf by:





.....
Chair
Anne Hinchey

.....
Board member
Marc Pensom

.....
Board member
Hayley Grist

Statement of Cash Flows

	2025	2024
	£	£
Operating Surplus for the year	268,682	350,580
Adjustments for non-cash items;		
Depreciation of tangible fixed assets	215,493	203,915
Disposal of fixed assets	60,800	11,932
Amortisation of government grants	(91,910)	(99,394)
Share capital issued	-	-
Share capital surrendered	(25)	-
Non cash donation	-	(90,679)
Pension service costs and expenses	-	809
Working capital movements		
Decrease/(Increase) in trade and other debtors	(126,644)	(49,251)
Increase/(Decrease) in trade and other creditors	93,519	69,108
Net cash generated from operating activities	<u>419,915</u>	<u>397,020</u>
Finance costs		
Pension deficit contributions	(106,000)	(100,807)
Interest paid	(79,898)	(54,503)
Interest received	51,228	19,156
Adjustments for reinvestment in existing properties		
Purchase of tangible fixed assets - properties	(808,701)	(261,893)
Purchase of other replacement fixed assets	(45,062)	(817)
Free cash generated/(consumed) before loan repayments	<u>(568,518)</u>	<u>(1,844)</u>
Loan repayments	<u>(6,346)</u>	<u>(5,686)</u>
Free cash consumed after loan repayments	(574,864)	(7,530)
Cash flow from financing activities		
Loan Facility	1,000,000	-
Cash flow from investing activities		
Government grants received	<u>172,713</u>	<u>143,883</u>
Net change in cash and cash equivalents	597,849	136,353
Cash and cash equivalents at beginning of year	<u>1,168,113</u>	<u>1,031,76</u>
Cash and cash equivalents at end of the year	<u><u>1,765,962</u></u>	<u><u>1,168,113</u></u>

Notes to the financial statements

1. Accounting policies

Format of accounts

The Association is a public benefit entity. The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 102 in the United Kingdom, the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015 and the 2014 Statement of Recommended Practice for Registered Social Landlords. All amounts are presented in pounds sterling (GBP), which is both the functional and presentational currency of the Association.

Basis of accounting

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

Going concern

The Association has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the association's day to day operations. The association also has a long – term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

After reviewing the Association's forecasts and projections, the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. The Association therefore continues to adopt the going concern basis in preparing its financial statements.

Turnover and revenue recognition

Turnover represents rental and service charge income less voids, miscellaneous income from housing activities, amortisation of grants and revenue grants receivable.

Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities. Amortisation of Social Housing and other government grants is accounted for in line with the accounting policy.

Interest payable

Interest payable is charged to the income and expenditure account in the year.

Pensions

The Association makes payments to pension schemes on behalf of its employees. The schemes are funded by contributions partly from the employees and partly by the Association at rates determined by independent actuaries. The scheme assets are invested separately from the Association assets in independently administered multi-employer funds.

Triennial valuations by the independent actuaries of the schemes highlight the estimated pension liability in respect of past service commitments, and the requisite employer contributions resulting from the projected surplus or deficit. The present value of these estimated future contributions is recognised as a liability in the statement of financial position.

The statement of comprehensive income reflects both a financing cost in respect of the calculated present values of future contributions, as well as a charge for pension deficit contributions arising directly in the year in which triennial valuation is published by the scheme actuaries.

Notes to the financial statements

1. Accounting policies (continued)

Leased assets

Rentals payable under operating leases are charged to expenditure on a straight-line basis over the lease term.

Employee benefits

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Value Added Tax

The Association is not registered for VAT. Input VAT is not recoverable and expenditure is shown inclusive of irrecoverable VAT.

Housing properties

Housing properties are principally properties available for rent and are stated at cost. The cost of properties is their purchase price together with incidental costs of acquisition and direct costs of the development process. Housing properties – depreciation is charged on the historic cost of property components. The depreciable amounts are written off over the estimated useful economic lives from the date of purchase / build. Land is not depreciated.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements. Where a housing property comprises two or more components with substantially different useful economic lives then each component is accounted for separately. Expenditure relating to the subsequent replacement or renewal of components is treated as follows: When deciding whether or not the costs for replacements or renewals are to be capitalised, the association will use 50% of the benchmark cost for full replacement as the determining factor. If the cost for the upgrade equates to more than 50% of benchmark figure for full replacement, then the costs will be capitalised. If the costs are less than the 50% of the benchmark figure, then the costs will not be capitalised. Depreciation is charged on cost on a straight-line basis over the components expected economic lives. Housing properties are broken down into the following six components, structure, windows, flat entrance doors, kitchens, bathrooms, and heating.

Depreciation of housing properties

The association separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

The depreciable amount is arrived at on the basis of original cost, less residual value. Depreciation is charged on cost less social housing grant on a straight-line basis over the component's economic useful life as follows:

Structure	98 years
Flat entrance doors	30 years
Windows	30 years
Kitchens	20 years
Bathrooms	25 years
Heating	15 years
Integrated Fire Detection Equipment	10 years

Land is not depreciated.

Transfer of Engagement

If the Association acquires the assets of another organisation through a combination of the two entities, a Transfer of Engagement will be undertaken. The value of the assets and liabilities will be accounted for at fair value and any gain/loss will be taken to the Income and Expenditure Account as gifted income.

Debtors

Short term debtors are measured at transaction price less any impairment.

Notes to the financial statements

1. Accounting policies (Continued)

Social housing grant

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

Government grants received for housing properties are recognised in income over the useful life of the component under the accrual's method.

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

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to the Statement of Comprehensive Income. Upon disposal of the associated property, the association is required to recycle these proceeds; as such a contingent liability is disclosed to reflect this.

Other grants

Other grants are receivable from local authorities and other organisations. Capital grants are shown as a liability on the statement of financial position. Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Amortisation of grants

Grants relating to assets are recognised in income on a straight-line basis over the expected useful life of the asset. Government grants received for housing properties are recognised in income over the expected useful life of the housing property structure and the components – over 15 – 98 years.

Impairment

Housing properties, including those with individual components are assessed whether an indication of impairment exists at each reporting date.

Where there is evidence of impairment, fixed assets are written down to their recoverable amount, being the higher of the value in use to the association and the fair value less costs to sell. Any such write down is charged to operating surplus.

Other tangible and intangible fixed assets

Depreciation is provided evenly on the cost of other tangible and intangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Furniture and equipment	3 – 7 years
Software	7 years

Loans

Basic financial instruments are recognised at amortised historical cost. Loan arrangement fees are capitalised and recognised over the term of the loan on a straight-line basis. Interest on loans is recognised in like manner using the present value of estimated future interest payments.

Provisions for liabilities

Provisions are recognised when the association has a present obligation (legal or constructive) as a result of a past event. It is probable that the association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Notes to the financial statements

2. Significant management judgements and key sources of estimation uncertainty

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

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

Significant management judgements

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

Impairment of social housing properties

The Association has to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP. Specifically, this includes whether there is an impairment indicator for a cash-generating unit. For these purposes, a cash-generating unit is defined as a property scheme.

Estimation uncertainty

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

Defined benefit pension scheme

The Association has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Categorisation of properties between investment properties and property, plant and equipment

The Association bases this assessment depending on the use of the asset and the level of rent charged.

Depreciation

Tangible fixed are depreciated over their useful lives based on various factors. The actual lives of the assets are re-assessed on a periodic basis and may vary depending on the standard of the asset.

For housing property assets, the assets are broken down into components based on management's assessment of the properties and the specific costs incurred in replacing these components. Individual useful economic lives are assigned to these components.

Notes to the financial statements

3a. Particulars of turnover, operating costs, and operating surplus

	Turnover £	2025 Operating costs £	Operating surplus £
Social housing lettings	3b <u>1,594,271</u>	<u>1,489,329</u>	<u>104,942</u>
Other social housing activities			
Management services	61,680		61,680
Donation – Transfer of engagement	-		-
Revenue Grant funding	97,097		97,097
Other	4,964		4,964
	<u>-</u>		
	<u>1,758,012</u>	<u>1,489,329</u>	<u>268,683</u>

	Turnover £	2024 Operating costs £	Operating surplus £
Social housing lettings	3b <u>1,532,327</u>	<u>1,414,418</u>	<u>117,909</u>
Other social housing activities			
Management services	15,960		15,960
Donation – Transfer of Engagement	181,584		181,584
Revenue Grant Funding	28,641		28,641
Other	6,486		6,486
	<u>-</u>		
	<u>1,764,998</u>	<u>1,414,418</u>	<u>350,580</u>

Notes to the financial statements

3b. Particulars of income and expenditure from social housing lettings

	2025	2024
	£	£
Rent receivable	1,222,720	1,153,173
Service charge income	283,052	279,760
Amortisation of grants	88,499	99,394
Turnover from social lettings	<u>1,594,271</u>	<u>1,532,327</u>
Overhead costs	575,547	590,287
Management costs	2,895	6,951
Service charge costs	201,505	237,145
Routine maintenance	232,414	160,380
Major repairs expenditure	195,833	187,795
Depreciation	272,077	215,409
Bad debts	(1,035)	7,594
Pension scheme operating costs	10,093	8,857
Operating costs on social housing lettings	<u>1,489,329</u>	<u>1,414,418</u>
Operating surplus on social housing lettings	<u>104,942</u>	<u>117,909</u>
Rent loss due to vacant homes	(7,046)	(11,526)

4. Accommodation in management and development

At the end of the year accommodation in management for each class of accommodation was as follows:

	2025	2024
Social housing		
General	260	258
Total managed	<u>260</u>	<u>258</u>

Notes to the financial statements

5. Operating surplus

The operating surplus is arrived at after charging/(crediting):

	2025	2024
	£	£
Depreciation of housing properties	267,983	193,891
Depreciation of other tangible fixed assets	7,454	10,025
Operating lease rentals	25,512	25,824
External Auditors' remuneration (including VAT)	12,072	17,058
Internal Auditors' remuneration (including VAT)	15,891	12,287
	<u>433,712</u>	<u>259,075</u>

6. Interest receivable and other income

	2025	2024
	£	£
Interest receivable and similar income	<u>51,228</u>	<u>19,156</u>

7. Interest payable and similar charges

	2025	2024
	£	£
Loans and bank overdrafts	<u>79,898</u>	<u>54,503</u>
	<u>79,898</u>	<u>54,503</u>

8. Employees

Average monthly number of employees expressed as full-time equivalents:

	2025	2024
Office Staff	9	9
Scheme Managers	1	1
Cleaners / Gardeners	1	1
	<u>11</u>	<u>11</u>

9. Employee costs

	2025	2024
	£	£
Wages and salaries	377,797	345,006
Social security costs	31,776	31,232
Other pension costs	24,281	26,050
	<u>433,854</u>	<u>402,288</u>

Notes to the financial statements

10a. Key management personnel

	Basic salary £	Benefits in kind £	Pension contributions £	2025 Total £	2024 Total £
Aggregate emoluments	<u>166,485</u>	<u>-</u>	<u>12,657</u>	<u>179,142</u>	<u>170,365</u>

The highest paid senior executive during the period was the Chief Executive. The total emoluments of the highest paid senior executive excluding pension contributions were £70,000 (2024: £64,980)

The Chief Executive is an ordinary member of the contributory pension scheme – no enhancement or special terms apply, and the Association makes no contribution to any individual pension arrangement.

Pension costs are shown as contributions paid on the senior executive's behalf. The number of senior executives accruing retirement benefits is 3 (2024: 4).

10b. Board members' remuneration and benefits

	2025 £	2024 £
Board member expenses	<u>1,283</u>	<u>897</u>

11. Tangible fixed assets – properties

	Social housing properties held for letting £
Cost	
At 1 April 2024	10,656,388
Additions	808,701
Disposals	(73,944)
At 31 March 2025	<u>11,391,145</u>
Depreciation	
At 1 April 2024	2,904,652
Charged in year	210,669
Eliminated on disposal	(17,145)
At 31 March 2025	<u>3,098,176</u>
Net book value	
At 31 March 2025	<u>8,292,969</u>
At 31 March 2024	<u>7,751,736</u>

Notes to the financial statements

12. Tangible fixed assets – other

	Furniture & equipment etc £
Cost	
At 1 April 2024	69,465
Additions	45,062
Disposals	<u>(6,000)</u>
At 31 March 2025	<u>108,527</u>
Depreciation	
At 1 April 2024	60,602
Charged in year	4,825
Eliminated on disposal	<u>(2,000)</u>
At 31 March 2025	<u>63,427</u>
Net book value	
At 31 March 2025	<u>45,100</u>
At 31 March 2024	<u>8,863</u>

13. Debtors

	2025 £	2024 £
Rent and service charge receivable	31,175	27,158
Less: provision for bad and doubtful debts	<u>(6,559)</u>	<u>(7,594)</u>
	24,616	19,564
Prepayments and accrued income	199,798	78,206
	<u>224,414</u>	<u>97,770</u>

14. Creditors: amounts falling due within one year

	2025 £	2024 £
Loan (note 16)	7,082	6,023
Rent and service charges received in advance	46,032	29,087
Deferred government grants (note 17)	91,910	99,394
Other taxation and social security	13,639	18,911
Other creditors	<u>303,119</u>	<u>221,273</u>
	<u>461,782</u>	<u>374,688</u>

Notes to the financial statements

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

	2025 £	2024 £
Loan (note 16)	1,465,220	472,625
Deferred government grants (note 17)	5,888,472	5,800,185
	<u>7,353,692</u>	<u>6,272,810</u>

16. Loan analysis

	2025 £	2024 £
Due within one year	7,082	6,023
Between one and two years	7,904	6,741
Between two and five years	29,653	25,413
After five years	1,427,663	440,471
	<u>1,472,302</u>	<u>478,648</u>

Terms of repayment and interest rates

Loans are secured by fixed charges over individual housing properties

17. Social housing and other government grants

	2025 £	2024 £
Cost		
At 1 April 2024	7,838,432	7,575,228
Additions	172,713	263,204
At 31 March 2025	<u>8,011,145</u>	<u>7,838,432</u>
Amortisation		
At 1 April 2024	1,938,853	1,839,459
Charged in year	91,910	99,394
At 31 March 2025	<u>2,030,763</u>	<u>1,938,853</u>
Net Creditor	<u>5,980,382</u>	<u>5,899,579</u>
Amounts to be released within one year	91,910	99,394
Amounts to be released after one year	5,888,472	5,800,185
	<u>5,980,382</u>	<u>5,899,579</u>

The Association amortises government grants over the useful life of the properties.

If the Association were to dispose the properties, the government grants may become repayable and therefore technically the amortised amount at 31st March 2025 £2,030,763 (2024: £1,938,853) represents a contingent liability.

Notes to the financial statements

18. Obligations under operating leases

	2025	2024
	£	£
Within one year	25,200	25,824
Between one and two years	25,200	25,200
Between two and five years	60,900	75,600
More than five years	-	10,500
	<u>111,300</u>	<u>137,124</u>

19. Employee Benefit Obligations

Defined contribution scheme - Social Housing Pension Scheme (SHPS)

The Association operates a defined contribution retirement benefit scheme for qualifying employees. The total expense charged to Statement of Comprehensive Income in the year ended 31 March 2025 was £28,153 (2024: £26,257).

Defined benefit scheme - Social Housing Pension Scheme (SHPS)

The Association participates in SHPS, a multi-employer pension scheme which provides benefits to some 500 non-associated participating employers. The scheme is classed as a defined benefit scheme. The scheme is classified as a 'last person standing' arrangement. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

On 1 April 2019, sufficient information became available for the association in respect of SHPS to account for its obligation on a defined benefit basis and was therefore first reflected in the year ended 31 March 2020.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 29 February 2024 inclusive.

The net defined benefit liability at the year ended 31 March 2025 is £353k (2024: £503k).

The amounts recognised in the Statement of Financial Position are as follows:

	2025	2024
	£000s	£000s
Fair value of plan assets	1,998	2,027
Present value of defined benefit obligations	<u>(2,351)</u>	<u>(2,530)</u>
(Deficit) in plan	<u>(353)</u>	<u>(503)</u>

Notes to the financial statements

19. Employee Benefit Obligations (continued)

Defined benefit obligation

	2025	2024
	£000s	£000s
At 1 April	2,530	2,510
Current service cost	-	-
Expenses	4	4
Interest cost	122	121
Contributions by plan participants	-	-
Actuarial (gains)/losses from scheme experience	69	6
Actuarial (gains)/losses from changes in demographic assumptions	-	(25)
Actuarial (gains)/losses from changes in financial assumptions	(283)	(4)
Benefits paid	(91)	(82)
At 31 March	<u>2,351</u>	<u>2,530</u>

Fair value of scheme assets

	2025	2024
	£000s	£000s
At 1 April	2,027	2,023
Interest income	100	99
Actuarial gains/(losses) from scheme experience	(148)	(117)
Contributions by employer	110	104
Contributions by plan participants	-	-
Benefits paid	(91)	(82)
At 31 March	<u>1,998</u>	<u>2,027</u>

Actual return on plan assets over the period from 31 March 2024 to 31 March 2025 was (£44,000)

Amounts recognised in the Statement of Comprehensive Income

	2025	2024
	£000s	£000s
Current service cost	-	-
Expenses	4	4
Net interest expense	22	22
	<u>26</u>	<u>26</u>

Notes to the financial statements

19. Employee Benefit Obligations (continued)

The amounts recognised in other recognised gains and losses are as follows:

	2025	2024
	£000s	£000s
Actuarial gains/(losses) from scheme experience	(217)	(123)
Actuarial gains/(losses) from changes in demographic assumptions	0	25
Actuarial gains/(losses) from changes in financial assumptions	283	4
	<u>66</u>	<u>(94)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	2025	2024
	£000s	£000s
Global Equity	224	202
Absolute Return	-	79
Distressed Opportunities	-	72
Credit Relative Value	-	66
Alternative Risk Premia	-	64
Liquid Alternatives	371	-
Emerging Markets Debt	-	26
Risk Sharing	-	119
Insurance-Linked Securities	6	10
Property	100	81
Infrastructure	-	205
Private Equity	2	2
Real Assets	239	-
Private Debt	-	80
Private Credit	245	-
Opportunistic Liquid Credit	-	79
Credit	76	-
Investment Grade Credit	62	-
Cash	27	40
Corporate Bond Fund	-	-
Long Lease Property	1	13
Secured Income	33	61
Liability Driven Investment	605	826
Currency Hedging	3	(1)
Net Current Assets	4	3
	<u>1,998</u>	<u>2,027</u>

Notes to the financial statements

19. Employee Benefit Obligations (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2025	2024
Discount rate	5.82%	4.90%
RPI Inflation	3.10%	3.15%
CPI Inflation	2.79%	2.78%
Salary growth	4.00%	3.78%

The morality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2025	20.5
Female retiring in 2025	23
Male retiring in 2045	21.7
Female retiring in 2045	24.5

20. Share Capital

Shares of £1 each and fully paid

	2025	2024
At beginning of year	47	47
Shares issued during the year	0	0
Shares surrendered during the year	(25)	0
At end of the year	<u>22</u>	<u>47</u>

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

21. Reserves

	Restricted Reserve £	Revenue Reserve £	Total £
At 1 st April 2024	395,611	1,480,326	1,875,937
Surplus for the year	57,251	226,761	284,012
At 31 st March 2025	<u>452,862</u>	<u>1,707,087</u>	<u>2,159,949</u>

The restricted reserve represents service charge income held by the association to replace service chargeable assets.

22. Capital commitments

None

23. Related parties

There were no related party transactions for the year ended 31 March 2025.

Notes to the financial statements

24. Contingent liabilities

In March 2024, many RSLs across the Welsh Housing Sector, including Aelwyd, became aware that the current drafting of the Renting Homes (Wales) Act 2016 (“the Act”) and the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022 (as amended) (“the Regulations”) was resulting in different interpretations of legal obligations for landlords. On identification of this issue, immediate steps were taken to ensure compliance with legal obligations as we are currently able to understand them. Following legal advice, a number of Registered Social Landlords issued proceedings in the High Court to seek a series of declarations as to the correct meaning and interpretation of the potential obligations. Following an initial High Court judgement last year, hearing dates have now been confirmed for 29-31 July to hear the counterclaims. A judgment will follow later in the year.

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

25. Post Balance Sheet Event

None



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