



Tai
AELWYD
Housing



Annual Report
2025 - 2026

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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**. These strategic priorities mean we can provide excellent homes and services with strong governance and financial viability.

Strong foundations



Excellent homes and services



Maximum impact



Chair and Chief Executive's review

Welcome to our Annual Report 2025/6 which highlights the work and achievements of Aelwyd Housing during the financial year ending 31st March 2026.

The Association is unique in the housing sector as the only faith based Registered Social Landlord in Wales. We continued to live out our Christian ethos and values by providing excellent homes and services to people of faith or none with kindness and compassion. We also want to be an employer of choice, where staff feel valued and supported, and empowered to make decisions. During the year, the Board commissioned a Remuneration review to ensure staff are fairly rewarded for their work in line with the sector.

As a smaller organisation in a sector of larger housing associations, the same is expected from us in terms of ever-increasing regulation and statutory responsibilities. This is challenging for organisations with less

resources and capacity, but we keep rising to the challenge. Our ongoing investment in IT infrastructure has helped to significantly improve how we manage and use data about our homes, residents and performance. It has allowed us to improve processes, strip out inefficiency and waste and build organisational resilience.

We provide homes and services to people in over 300 homes across 11 local authorities in South Wales. Our geographical spread and small staff team means we do things differently. We use smaller local contractors wherever possible, so they become a familiar face to residents, and we are supporting the local economy. During the year we increased our contractor base to improve future resilience.



Our approach to service delivery is to know each resident, with every interaction being kind, where we seek to act on what matters to every individual. Our culture and approach means we remain among the best performing community landlords in Wales on resident satisfaction.

We are committed to growth so we can provide more homes to people in housing need. During the year we purchased additional homes which were part funded by the Welsh Government's Transitional Accommodation Capital Programme.

Most of the Association's homes remain suitable for older people, but during the year we were delighted to 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 we never take for granted.

Significant investment was made in our existing homes which included energy efficiency works which have reduced the cost of energy bills for many residents. In March 2026 we submitted our statement of compliance with the Welsh Housing Quality

Standard. We are delighted to report that our homes are in 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, an exceptional Board and staff team, 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 in Wales.



Anne Hinchey
Chair



Sharon Lee
Chief Executive

Strong foundations

During the year we continued to strengthen the foundation of the organisation. This included ongoing investment in our IT infrastructure including a softphone telephony system and improvements to our housing, assets, and finance system. We supported our governance by investing in board management software which will support our Board in having better access to reports and key governance documents. We implemented software to help us monitor energy use in homes, and sensors which alert us to potential issues causing damp and mould. We commissioned a

review of our cyber security and disaster recovery capability and were again successful in obtaining Cyber Essentials accreditation. The organisation continued to move away from paper-based processes which has improved efficiency and data management.

We reviewed our policy and approach to Treasury Management and ensured we made the right financial and investment decisions. We obtained £1,007,900 in Welsh Government grant funding during the year which helped us purchase

properties and invest in existing homes. A rent settlement for 2026/7 was agreed which balances affordability for residents with ensuring sufficient income to carry out investment in homes.

Our income management remained strong, with low levels of rent arrears and vacant home loss. Our Internal and External Audit process meant the Audit Committee was able to give the board assurance that we have robust systems and processes in place across all business critical and service delivery areas.

Independent Internal Audit Reviews with Level of Board Assurance	
Key Financial Controls	Substantial Assurance
Governance Effectiveness	Substantial Assurance
Electrical Testing	Substantial Assurance
Funding Growth and Obligations	Substantial Assurance
Responsive Maintenance	Substantial Assurance
Information & Cyber Security & Data Protection	Reasonable Assurance
IT Continuity & Disaster Recovery	Reasonable Assurance

Operating Surplus

£246,920 2025/2026

£325,683 2024/2025

Net Rent Arrears

0.50% 31 March 2026

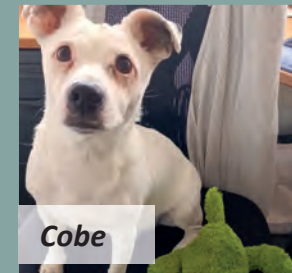
0.70% 31 March 2025

Installation of a new solar roof to flats in Tonymandy, Rhondda Cynon Taf.

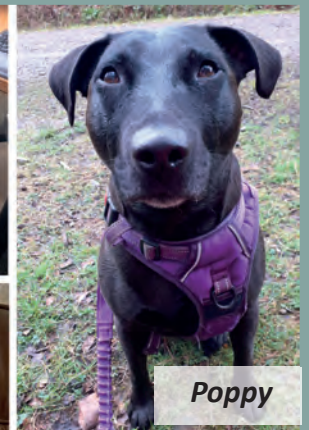


Our staff are an essential part of our strong foundations. We care about the things that matter to staff and are a family friendly employer.

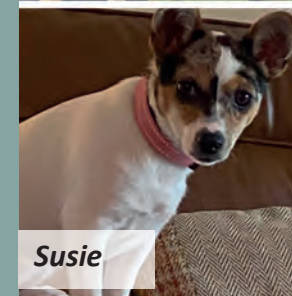
We support staff as individuals and recognise when flexibility is needed to help balance busy home and work priorities. We also welcome Aelwyd Housing dogs (subject to a dog Code of Conduct) when staff need to come into the office, so they don't have to worry about furry family members left alone at home.



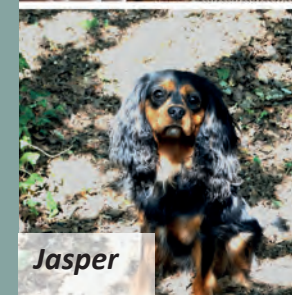
Cobe



Poppy



Susie



Jasper



Dewi

Excellent homes and services

Throughout the year we let **34** homes to people in housing need in communities across South Wales, which included 11 homes to people and families facing homelessness. Three houses suitable for families were purchased in Neath Port Talbot. We're delighted that 100% of new residents told us they were very happy with their home. We continued to carry out repairs quickly and ensured our homes were health and safety compliant. Significant investment was made in the decarbonisation of homes with solar roofs and solar PV installed in Blaenau Gwent, Rhondda Cynon Taff, and Neath Port Talbot. Residents in 20% of our homes now benefit from solar generated energy. Our homes were compliant with the Welsh Housing Quality Standard with

96% of homes achieving an Energy Performance Certificate (EPC) rating of C or above. A total of 70% of our homes achieved a SAP score above 75 which placed the majority of our homes in the upper rating of C and above.

Fire safety continued to be a key area of focus with compartmentation works across four communal buildings. Our door entry upgrades continued with the installation of smart technology in communal buildings, covering an additional 117 homes. We carried out a resident satisfaction survey with high levels of satisfaction across all areas. Where residents have given us feedback that we could have done better, we learned from it and took action.



Homes let during the year

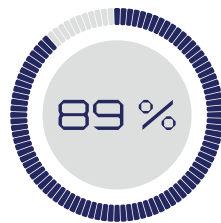
34

Average rent per week

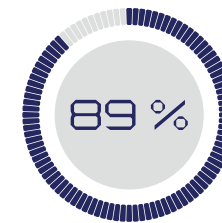
£92.20



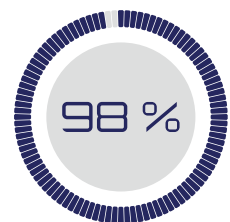
Residents satisfied with **services provided**



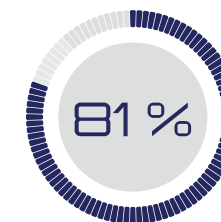
Residents who think that **their rents provide value for money**



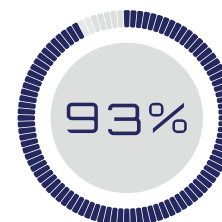
Residents satisfied that **we listen to their views and act on them**



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

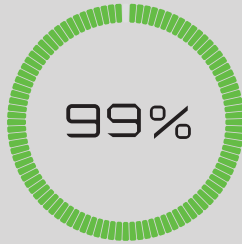


Residents satisfied with **their neighbourhood and opportunities to have a say in how services are managed**

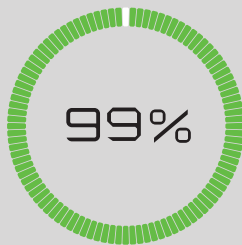


Residents who **trust us as their landlord**

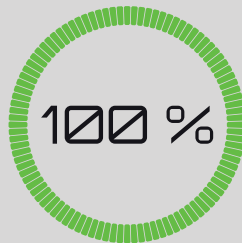
Resident satisfaction with repairs service



Standard of repair
Good / very good



Way repair was arranged
Good / very good



Service when reporting repair
Good / very good

Repair orders raised



1,235
2025/2026

1,452
2024/2025

Vacant home income loss



0.76%
2025/2026

0.50%
2024/2025

Gas and electrical safety compliance as at 31 March 2026

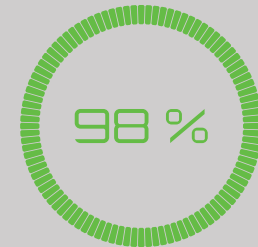
**Gas
compliant**



**Electrical
compliant**



Average response time for emergency repairs



Less than 24 hours
2025/2026

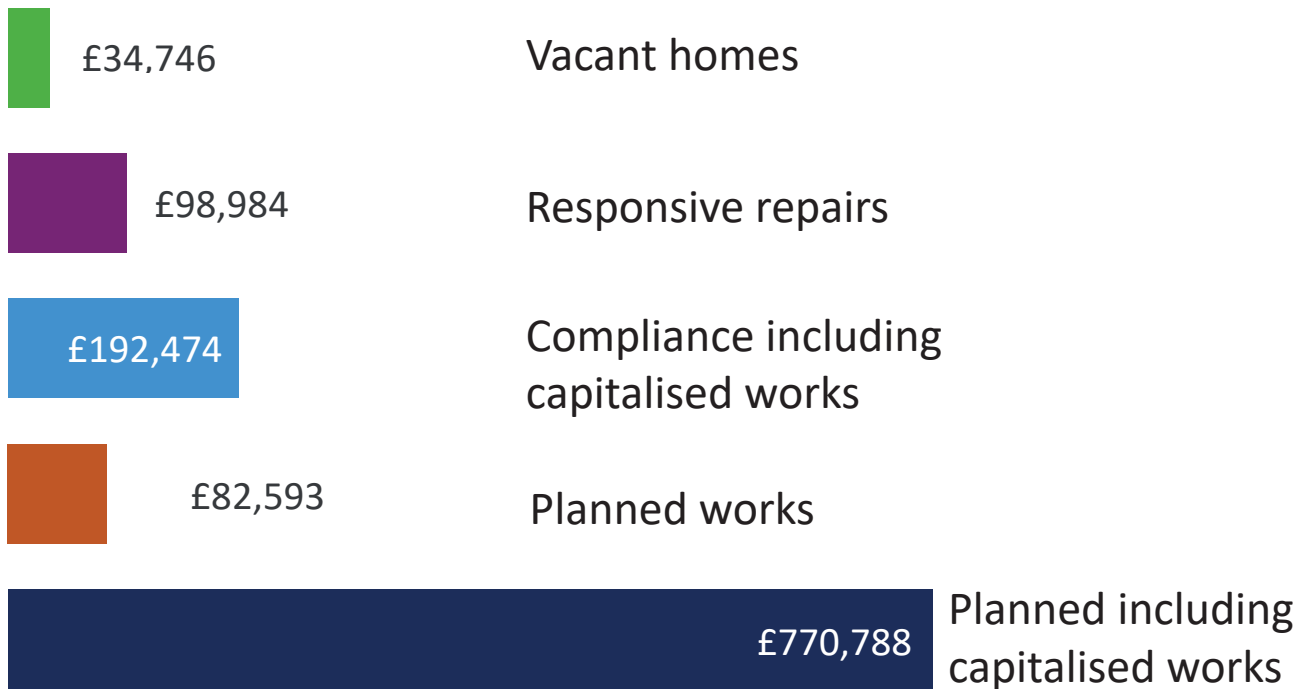
Average response time for routine repairs



Less than 30 days
2025/2026

20% of our homes
have solar panels

Expenditure on homes during the year



“

They keep the property in good repair, and keep us as residents, updated on what's happening, very happy with my flat and service that Aelwyd Housing provides.

Ms H, Merthyr Tydfil

”

“

Always very dependable and reliable and quick to deal with any problems. All staff are very nice people.

Mrs T, Cardiff

”

“

The solar panels made a massive difference to my electricity usage, cutting my bills in half

Ms G, Port Talbot

”

What our residents said during the year

Very rarely I have to contact the office to report anything, works are always carried out quickly and property is safe, warm and secure. Can't ask for anything more.
Mr P, Pontypridd

All of my issues are always taken seriously. I have always been given respect and dignity in relation to my health issues.
Miss M, Skewen

Because I have always found Aelwyd to be a conscientious, committed and ethical body.
Mr H, Pentre

Very satisfied with our flat and the way things are dealt with when anything goes wrong. Good that when we have to ring office usually speak to the same person and how quickly phone is answered.
Mrs W, Magor

I enjoy living at the scheme and feel that it is "home".
Mrs L, Pontypridd

Just very professional service, that's the way it should be, thanks.
Mr B, Newport

I have no issues at all, and if there have been minor issues in the past Aelwyd Housing have dealt with them quickly and efficiently.
Miss D, Cardiff

A big thanks you to all the staff for all your help and support, and most of all giving me a new home. I am nearly settled here and I love it. God bless you all.
Mrs H Bridgend

Maximum impact

The Association aims to make the best use of our capacity and resources to have the maximum impact in communities. We recognise that we don't have the capacity to meet every need our residents have across 11 local authorities. So where required, we work closely with other organisations and agencies to help residents get all the support they need to help sustain their tenancy. We also provided services to other organisations by acting as the Managing Agent for Gwalia Rest Bay, a co-operative of 29 homes in Bridgend County and The Willie Seager Memorial Trust, an alms-house with 10 homes in Cardiff. During the year we also supported a church to manage their landlord responsibilities by managing their homes and tenancies in Cardiff.

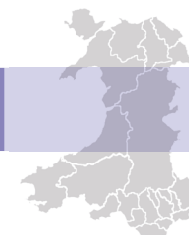
We supported local contractors and suppliers with 82.50p in every £ we spent staying in Wales.

The Association remains committed to decarbonising 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 to 29 homes during 2025/26. We installed sensors in homes to help us manage data on energy usage and humidity levels, so the right advice and solutions can be provided for residents on energy use and mitigating the risk of damp, mould and condensation.

We invested in training for staff, with a member of the team qualifying as a Retrofit Co-ordinator, so the Association has the right skills inhouse to make informed decisions about our homes.

The monitoring data from sensors installed in homes is showing a reduction in electricity costs for residents. The Association installed specialist software to help us plan Target Energy Pathways for all our homes. 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

- **82.5p** in every £1 we spent stayed 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
£4,881 (2025/26)
£4,647 (2024/25)

Management Costs per Social Housing Unit
£1,115 (2025/26)
£933 (2024/25)

Reactive Repair Costs per Social Housing Unit
£1,481 (2025/26)
£1,481 (2024/25)

Bad Debts per Social Housing Unit
£15 (2025/26)
£14 (2024/25)

Major Repairs & Component Costs per Social Housing Unit (Capital Expenditure)
£2,984 (2025/26)
£1,845 (2024/25)

Weighted Average Cost of Capital 2023/24 Interest Rate*
5.7% (2025/26)
5.4% (2024/25)

Free Cash Inflow (Outflow) per Social Housing Unit
(£1602) 2025/26
(£1,522) (2024/25)

Gross Arrears/Social Housing Turnover
1.5% (2025/26)
2.0% (2024/25)

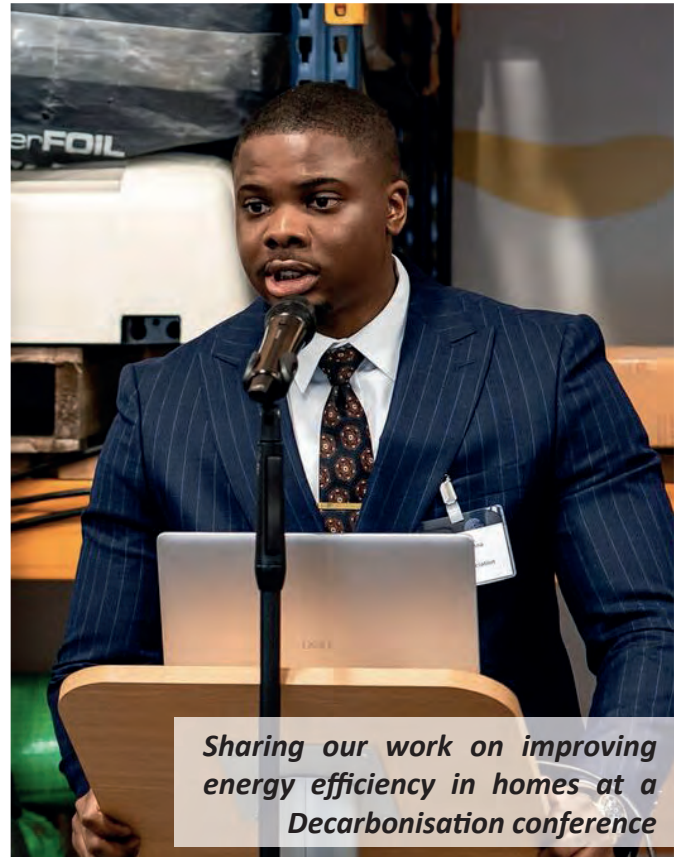
Turnover per Social Housing Unit
£6,321 (2025/26)
£6,132 (2024/25)

Rental void loss per Social Housing Unit
£45 (2025/26)
£27 (2024/25)

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



Air fryers donated by contractors were given to residents in exchange for chip pans



Sharing our work on improving energy efficiency in homes at a Decarbonisation conference



A new solar panel roof in Abertillery which has delivered energy cost savings to residents



Our Board of Management

as at 31 March 2026

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. 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.



Peter Sargent

Peter is Director of Finance and Operations at Elrha, a UK-based global charity that funds research and innovation to improve humanitarian responses to crises. He is CIMA-qualified and a trained coach, with a career spanning senior leadership roles in the international development

and environmental sectors working across Africa, Asia, and Europe. Outside of work he is an active member of his local church in Cardiff and previously served as Chair of the Welsh Centre for International Affairs (now Cymru Global). Peter joined the Board in 2022 and is Chair of the Audit Committee.



Jerome Fanfare

Jerome joined the Board in 2020 and is Head of Strategic Partnerships & Contracts 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: 6/6

Meetings attended: 5/6 Audit Committee 3/3

Meetings attended: 3/6 Audit Committee 3/3



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 as an Office

manager, where she is also part of the leadership team serving communities in Bridgend.



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.



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: 5/6

Meetings attended: 5/6 Audit Committee 2/3

Meetings attended: 4/6 Audit Committee 3/3



James O'Connor

James is an experienced Chartered Accountant and Chartered Environmentalist. He worked in professional practice 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 & Sustainability at Codi Group, and serves as a Board Chair, Committee Chair and non-executive director across a range of boards. He is an ecumenical Christian with a focus on lived faith and has been part of the leadership team, church council or preaching team in different denominations over many years. James joined the Board in 2021.

Meetings attended: 4/6



Reverend Mark Broadway

Mark joined the Board in 2025 and brings a wealth of experience related to housing and homelessness. He is an ordained Anglican Minister and Ministry Area Leader for several churches within Bridgend County. Previously Mark worked in property law as part of a national Panel Solicitors

firm, having undertaken post graduate legal training before obtaining a Master's in Theology.

Meetings attended: 3/4 (joined December 2025)



Ellie Vinter

Ellie joined the board in 2022. She has worked in local authorities in both Wales and England since 2019, working on a range of projects and within homelessness, housing support and policy. Most recently, Ellie has worked in resident-facing and operational roles within

tenancy management, and now manages a team in the Supported Housing for Older People service for Bristol City Council. Ellie is a trustee and Deacon at Broadmead Baptist Church in Bristol where she has is an active member of the church family.

Meetings attended: 5/6

Retirements/Resignations during the year:

- Jonathan Hughes
- Claire Boot
- Michael Stone



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

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:

- 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.

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 2026

Sharon Lee
Chief Executive



Sharon joined as Chief Executive in 2020. She has worked in the housing and homelessness sectors for over 30 years in strategic and operational roles and has extensive leadership and governance experience. Before joining Aelwyd Housing, Sharon was part of the national leadership team of Housing Justice, a Christian homelessness charity working across England and Wales, where she was the Director for Wales. She was previously a member of the Senior Leadership Team and later Chair of the Board at Wales & West Housing. Sharon is currently a Board member of both Community Housing Cymru, and Valleys to Coast where she also Chairs the Performance and Standards Committee.

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.

Emma Stewart
Director of Operations
(Joined September 2025)



Emma joined the Association in September 2025. She is a business graduate and has worked in the social housing sector since 2005. Emma has extensive experience of working with residents and leaseholders in general needs and retirement housing in England and Wales. Prior to joining the Association she was a senior manager leading a team managing over 500 leasehold retirement homes at a large Welsh housing association. Emma is also a co-optee Board member at Merthyr Valley Homes.

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. We also provide property and tenancy management services to a church in Cardiff.

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.



Annual Report and Financial Statements

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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 of Board)
	Claire Boot	(Resigned 25/09/25)
	Ellie Vinter	
	Hayley Grist	
	James O'Connor	
	Jerome Fanfare	
	Peter Sargent	(Chair Audit Committee)
	Peter Idris Taylor	
	Robert Lynbeck	
	Marc Pensom	
Mark Broadway	(Appointed 17/12/25)	

Chief Executive:	Sharon Lee
Director of Finance:	Clare Cooze (Company Secretary)
Director of Operations:	Emma Stewart

Bankers: HSBC
15 Churchill Way
Cardiff
CF10 2HD

Solicitors:

Hugh James Solicitors
2 Central Square
Cardiff
CF10 1FS

External Auditors:

Bevan Buckland Audit Limited
Chartered Accountants & Statutory Auditors
Ground Floor
Cardigan House
Castle Court
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 2026 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 £246,920 (2025: £325,683). The Association's surplus on ordinary activities amounted to a surplus of £204,568 (2025: £341,013) the revenue reserves at the year-end for the Association amounted to £2,421,517 (2025: £2,216,949)

The Association continued to prioritise strong foundations, excellent homes and services, and maximising impact within its resources and capacity. During the year, the approach to Treasury Management was reviewed with investments balanced to optimise the best return, without compromising cashflow for growth and planned works to homes. Three family homes were purchased in Neath Port Talbot with a 70% grant funding contribution from the Welsh Government Transitional Accommodation Capital Programme, and the Association became the Managing Agent for two homes in Cardiff owned by a local community church. Managing Agent services continued for Gwalia Rest Bay in Porthcawl and The Willie Seagar Memorial Homes in Cardiff.

Significant planned investment was made with the installation of solar roofs at two schemes which improved the energy efficiency of the homes and delivered energy cost savings for residents. Fire safety remained a priority with a programme of compartmentation works across four schemes, ensuring the continued safety and security of residents' homes. Hard wired end of life door entry systems were replaced at several schemes with a cloud-based system allowing better access control for residents and requiring less maintenance.

The Association responded quickly to reactive maintenance requests raising 1235 maintenance orders for properties across ten local authorities. A total of £1,421,407 was spent on capitalised planned maintenance which included works to homes acquired by the Association during the year. A total of £1,007,901 in Welsh Government grants was received for the purchase of homes, physical adaptations, and decarbonisation measures. The Association was 100% compliant in gas safety testing, and 100% in electrical safety testing at year end. In March 2026 the Association submitted data to the Welsh Government to demonstrate compliance with the Welsh Housing Quality Standards (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.

Report of the Board of Management

Income management remained strong with a proactive and supportive approach to residents in rent arrears. Net rent arrears at year end (31st March 2026) was 0.50% of the annual rent debit. Rents were set at an affordable level for residents in line with the Welsh Government rent settlement. Vacant property loss was well managed at 0.8% as the Association continued to be proactive in ensuring good quality affordable homes were allocated quickly to people in housing need, with 33% of allocations to people facing homelessness. During the year 34 homes were allocated with high satisfaction feedback from new residents.

The Association's Internal Auditor carried out seven reviews of business-critical areas. These were Key Financial Controls; Governance Effectiveness; Electrical Testing; Funding Growth and Obligations; Responsive Maintenance; Information and Cyber Security and Data Protection; and IT Continuity and Disaster Recovery. Substantial Assurance was found in five reviews and Reasonable Assurance in two reviews. The finding of all Internal and External Audit reviews demonstrated the Association has robust systems and processes in place and continues to be strong and financially viable, providing good homes across South Wales.

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 2018, 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.

Report of the Board of Management

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 30th September 2026.

External auditors

A resolution to reappoint Bevan Buckland Audit Limited as the Group's auditors will be proposed at the upcoming Annual General Meeting. The auditor, Bevan Buckland, previously traded through the legal entity Bevan Buckland LLP. Following a restructure and regulatory changes, Bevan Buckland LLP ceased to hold an audit registration, and the engagement has transitioned to Bevan Buckland Audit Limited.

The report of the Board was approved by the Board on 19/08/26 and signed on its behalf by:



.....
Anne Hinchey
Chair

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 2026, 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 2026, 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.

A handwritten signature in black ink that reads "Bevan Buckland Audit Ltd". The signature is written in a cursive, flowing style.

Bevan Buckland Audit Limited
Chartered Accountants & Statutory Auditors
Ground Floor
Cardigan House
Castle Court
Swansea
SA7 9LA

Date: 02/09/2026

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 2026 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 2026 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.

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

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.

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 3), 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 2024 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.

A handwritten signature in black ink that reads "Bevan Buckland Audit Ltd". The signature is written in a cursive, flowing style.

Bevan Buckland Audit Limited
Chartered Accountants & Statutory Auditors
Ground Floor
Cardigan House
Castle Court
Swansea
SA7 9LA

Date:.....02/09/2026.....

Statement of Comprehensive Income

	Notes	2026 £	2025 £
Turnover	3a	1,804,453	1,758,012
Operating costs	3a	<u>(1,557,533)</u>	<u>(1,432,330)</u>
Operating surplus	5	246,920	325,682
Interest receivable and other income	6	38,755	51,228
Interest payable and similar charges	7	(83,107)	(79,898)
Net interest expense on pension scheme liabilities		(17,000)	(22,000)
Surplus for year		<u>185,568</u>	<u>275,012</u>
Other comprehensive income			
Actuarial gains/losses on defined benefit schemes		19,000	66,000
(Deficit)/surplus for the year		<u>204,568</u>	<u>341,012</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 2025	452,862	1,764,087	2,216,949
Surplus from statement of comprehensive income	28,078	176,490	204,568
At 31st March 2026	480,940	1,940,577	2,421,517

	Restricted Reserve £	Revenue Reserve £	Total Reserves £
At 1st April 2024	395,611	1,480,326	1,875,937
Surplus from statement of comprehensive income	57,251	283,761	341,012
At 31st March 2025	452,862	1,764,087	2,216,949

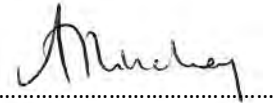
Statement of Financial Position

	Note	2026 £	2025 £
Non-current Assets			
Housing properties	11	9,455,595	8,349,969
Other tangible fixed assets	12	<u>35,846</u>	<u>45,100</u>
		9,491,441	8,395,069
Current Assets			
Debtors due within one year	13	543,500	224,414
Cash Investment		900,000	-
Cash at bank and in hand		<u>437,469</u>	<u>1,765,962</u>
		1,880,969	1,990,376
Creditors: amounts falling due within one year	14	(481,498)	(461,782)
Net Current Assets		<u>1,399,471</u>	<u>1,528,594</u>
Total Assets Less Current Liabilities		10,890,912	9,923,663
Creditors: amounts falling due after more than one year	15	(8,225,372)	(7,353,692)
Pension Liability	19	(244,000)	(353,000)
Total Net Assets		<u>2,421,540</u>	<u>2,216,971</u>
Capital and Reserves			
Called up share capital	20	23	22
Revenue Reserves	21	<u>2,421,517</u>	<u>2,216,949</u>
Total Capital and Reserves		<u>2,421,540</u>	<u>2,216,971</u>

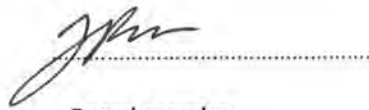
Aelwyd Housing Association Limited
Report and financial statements for the year ended 31 March 2026

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board of Management on 19/08/26 and signed on its behalf by:



Chair
Anne Hinchey



Board member



Board member

Statement of Cash Flows

	2026 £	2025 £
Operating Surplus for the year	246,920	325,683
Adjustments for non-cash items;		
Depreciation of tangible fixed assets	231,779	215,493
Disposal of fixed assets	38,198	60,800
Amortisation of government grants	(110,113)	(91,910)
Share capital issued	1	-
Share capital surrendered	-	(25)
Non cash donation	-	-
Pension service costs and expenses	-	-
Working capital movements		
Decrease/(Increase) in trade and other debtors	(319,086)	(126,644)
Increase/(Decrease) in trade and other creditors	691	95,519
Net cash generated from operating activities	88,390	476,916
Finance costs		
Pension deficit contributions	(107,000)	(106,000)
Interest paid	(83,107)	(79,898)
Interest received	38,755	51,228
Adjustments for reinvestment in existing properties		
Purchase of tangible fixed assets - properties	(1,364,407)	(865,701)
Purchase of other replacement fixed assets	(1,942)	(45,062)
Free cash generated/(consumed) before loan repayments	(1,436,393)	(568,518)
Loan repayments	(7,082)	(6,346)
Free cash consumed after loan repayments	(1,429,310)	(568,517)

Aelwyd Housing Association Limited
Report and financial statements for the year ended 31 March 2026

Cash flow from financing activities

Loan Facility	-	1,000,000
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Cash flow from investing activities

Government grants received	1,007,900	172,713
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Net change in cash and cash equivalents

(428,493)	597,849
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Cash and cash equivalents at beginning of year

<u>1,765,962</u>	<u>1,168,113</u>
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Cash and cash equivalents at end of the year

<u>1,337,469</u>	<u>1,765,962</u>
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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 2018 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

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 administrated 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:

Notes to the financial statements

1. Accounting policies (Continued)

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.

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.

Notes to the financial statements

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.

Bank Accounts

The Association holds the funds of Gwalia Rest Bay in a bank account in the Association's name. The account is used for the day to day financial activities of Gwalia Rest Bay.

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.

Notes to the financial statements

Depreciation

Tangible fixed assets 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.

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

	Turnover £	2026 Operating costs £	Operating surplus £
Social housing lettings	3b		
	<u>1,662,477</u>	<u>1,557,533</u>	<u>104,944</u>
Other social housing activities			
Management services	57,984		57,984
Revenue Grant funding	71,913		71,913
Other	<u>12,079</u>		<u>12,079</u>
	<u>1,804,453</u>	<u>1,557,533</u>	<u>246,920</u>

Notes to the financial statements

	Turnover £	2025 Operating costs £	Operating surplus £
Social housing lettings	3b		
	<u>1,594,271</u>	<u>1,432,330</u>	<u>161,941</u>
Other social housing activities			
Management services	61,680		61,680
Revenue Grant Funding	97,097		97,097
Other	<u>4,964</u>		<u>4,964</u>
	<u>1,758,012</u>	<u>1,432,329</u>	<u>325,682</u>

Notes to the financial statements

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

	2026	2025
	£	£
Rent receivable	1,265,844	1,222,720
Service charge income	286,520	283,052
Amortisation of grants	110,113	88,499
Turnover from social lettings	<u>1,662,477</u>	<u>1,594,271</u>
Overhead costs	695,930	575,547
Management costs	3,335	2,895
Service charge costs	345,048	201,505
Routine maintenance	156,813	232,414
Major repairs expenditure	82,594	138,834
Depreciation	258,780	272,077
Bad debts	3,819	(1,035)
Pension scheme operating costs	11,214	10,093
Operating costs on social housing lettings	<u>1,557,533</u>	<u>1,432,330</u>
Operating surplus on social housing lettings	<u>104,944</u>	<u>161,941</u>
Rent loss due to vacant homes	(11,801)	(7,046)

Notes to the financial statements

4. Accommodation in management and development

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

	2026	2025
Social housing		
General	263	260
Total managed	263	260

Notes to the financial statements

5. Operating surplus

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

	2026	2025
	£	£
Depreciation of housing properties	220,584	267,983
Depreciation of other tangible fixed assets	7,454	7,454
Operating lease rentals	25,200	25,512
External Auditors' remuneration (including VAT)	13,280	12,072
Internal Auditors' remuneration (including VAT)	<u>14,233</u>	<u>15,891</u>

6. Interest receivable and other income

	2026	2025
	£	£
Interest receivable and similar income	<u>38,755</u>	<u>51,228</u>

7. Interest payable and similar charges

	2026	2025
	£	£
Loans and bank overdrafts	<u>83,107</u>	<u>79,898</u>
	<u>83,107</u>	<u>79,898</u>

Notes to the financial statements

8. Employees

Average monthly number of employees:

	2026	2025
Office Staff	12	11
Scheme Managers	1	1
Cleaners / Gardeners	6	6
	<u>19</u>	<u>18</u>

9. Employee costs

	2026	2025
	£	£
Wages and salaries	415,561	377,797
Social security costs	47,612	31,776
Other pension costs	25,205	24,281
	<u>488,378</u>	<u>433,854</u>

Notes to the financial statements

10a. Key management personnel

	Basic salary £	Benefits in kind £	Pension contributions £	2026 Total £	2025 Total £
Aggregate emoluments	<u>179,671</u>	<u>-</u>	<u>14,292</u>	<u>193,962</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 £73,500 (2025: £70,000)

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 4 (2025: 3).

One of the full-time equivalent number of key management personnel received over £60,000 remuneration payable (including pension costs) in the period.

10b. Board members' remuneration and benefits

	2026 £	2025 £
Board member expenses	<u>1,302</u>	<u>1,283</u>

Notes to the financial statements

11. Tangible fixed assets – properties

Social housing
properties held
for letting
£

Cost

At 31 March 2025	11,448,145
Additions	1,421,407
Disposals	(102,019)
At 31 March 2026	<u>12,710,533</u>

Depreciation

At 31 March 2025	3,098,176
Charged in year	220,584
Eliminated on disposal	(63,822)
At 31 March 2026	<u>3,254,938</u>

Net book value

At 31 March 2026	<u>9,455,595</u>
At 31 March 2025	<u>8,349,969</u>

Notes to the financial statements

12. Tangible fixed assets – other

Furniture &
equipment
etc
£

Cost

At 31 March 2025	108,527
Additions	1,942
Disposals	
At 31 March 2026	<u>110,469</u>

Depreciation

At 31 March 2025	63,427
Charged in year	11,196
Eliminated on disposal	
At 31 March 2026	<u>74,623</u>

Net book value

At 31 March 2026	<u>35,846</u>
At 31 March 2025	<u>45,100</u>

Notes to the financial statements

13. Debtors

	2026 £	2025 £
Rent and service charge receivable	25,026	31,175
Less: provision for bad and doubtful debts	(8,000)	(6,559)
	<u>17,026</u>	<u>24,616</u>
Prepayments and accrued income	526,474	199,798
	<u>543,500</u>	<u>224,414</u>

14. Creditors: amounts falling due within one year

	2026 £	2025 £
Loan (note 16)	7,904	7,082
Rent and service charges received in advance	64,961	46,032
Deferred government grants (note 17)	110,113	91,910
Other taxation and social security	23,939	13,639
Other creditors	<u>274,581</u>	<u>303,119</u>
	<u>481,498</u>	<u>461,782</u>

Notes to the financial statements

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

	2026 £	2025 £
Loan (note 16)	1,457,316	1,465,220
Deferred government grants (note 17)	6,768,056	5,888,472
	<u>8,225,372</u>	<u>7,353,692</u>

16. Loan analysis

	2026 £	2025 £
Due within one year	7,904	7,082
Between one and two years	8,821	7,904
Between two and five years	33,094	29,653
After five years	1,415,401	1,427,663
	<u>1,465,220</u>	<u>1,472,302</u>

Terms of repayment and interest rates

Loans are secured by fixed charges over individual housing properties

Notes to the financial statements

17. Social housing and other government grants

	2026 £	2025 £
Cost		
At 1 April 2025	8,011,145	7,838,432
Additions	1,007,900	172,713
At 31 March 2026	<u>9,019,045</u>	<u>8,011,145</u>
Amortisation		
At 1 April 2025	2,030,763	1,938,853
Charged in year	110,113	91,910
At 31 March 2026	<u>2,140,876</u>	<u>2,030,763</u>
Net Creditor	<u>6,878,169</u>	<u>5,980,382</u>
Amounts to be released within one year	110,113	91,910
Amounts to be released after one year	6,768,056	5,888,472
	<u>6,878,169</u>	<u>5,980,382</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 2026 £6,878,169 (2025: £5,980,382) represents a contingent liability.

Notes to the financial statements

18. Obligations under operating leases

	2026	2025
	£	£
Within one year	25,200	25,200
Between one and two years	25,200	25,200
Between two and five years	35,700	60,900
More than five years	0	0
	<u>86,100</u>	<u>111,300</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 2026 was £31,379 (2025: £28,153).

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 net defined benefit liability at the year ended 31 March 2026 is £244k (2025: £353k).

Notes to the financial statements

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

	2026	2025
	£000s	£000s
Fair value of plan assets	2,128	1,998
Present value of defined benefit obligations	(2,372)	(2,351)
(Deficit) in plan	<u>(244)</u>	<u>(353)</u>

Defined benefit obligation

	2026	2025
	£000s	£000s
At 1 April	2,351	2,530
Current service cost	-	-
Expenses	5	4
Interest cost	134	122
Contributions by plan participants	-	-
Actuarial (gains)/losses from scheme experience	(19)	69
Actuarial (gains)/losses from changes in demographic assumptions	19	-
Actuarial (gains)/losses from changes in financial assumptions	(33)	(283)
Benefits paid	<u>(85)</u>	<u>(91)</u>
At 31 March	<u>2,372</u>	<u>2,351</u>

Fair value of scheme assets

	2026	2025
	£000s	£000s
At 1 April	1,998	2,027
Interest income	117	100
Actuarial gains/(losses) from scheme experience	(14)	(148)
Contributions by employer	112	110
Contributions by plan participants	-	-
Benefits paid	<u>(85)</u>	<u>(91)</u>
At 31 March	<u>2,128</u>	<u>1,998</u>

Actual return on plan assets over the period from 31 March 2025 to 31 March 2026 was (£48,000)

Notes to the financial statements

19. Employee Benefit Obligations (continued)

Amounts recognised in the Statement of Comprehensive Income

	2026	2025
	£000s	£000s
Current service cost	-	-
Expenses	5	4
Net interest expense	17	22
	<u>22</u>	<u>26</u>

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

	2026	2025
	£000s	£000s
Actuarial gains/(losses) from scheme experience	5	(217)
Actuarial gains/(losses) from changes in demographic assumptions	0	0
Actuarial gains/(losses) from changes in financial assumptions	14	283
	<u>19</u>	<u>66</u>

Notes to the financial statements

19. Employee Benefit Obligations (continued)

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

	2026	2025
	£000s	£000s
Global Equity	236	224
Absolute Return		-
Distressed Opportunities		-
Credit Relative Value		-
Alternative Risk Premia		-
Liquid Alternatives	379	371
Emerging Markets Debt		-
Risk Sharing		-
Insurance-Linked Securities	3	6
Property	104	100
Infrastructure		-
Private Equity	5	2
Real Assets	200	239
Private Debt		-
Private Credit	257	245
Opportunistic Liquid Credit		-
Credit	85	76
Investment Grade Credit	125	62
Cash	-	27
Corporate Bond Fund		-
Long Lease Property	-	1
Secured Income	65	33
Liability Driven Investment	648	605
Currency Hedging	-	3
Net Current Assets	21	4
	<u>2,128</u>	<u>1,998</u>

Notes to the financial statements

19. Employee Benefit Obligations (continued)

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

	2026	2025
Discount rate	6.08%	5.82%
RPI Inflation	3.31%	3.10%
CPI Inflation	3.03%	2.79%
Salary growth	3.03%	4.00%

The morality assumptions adopted at 31 March 2026 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2025	20.9
Female retiring in 2025	23.2
Male retiring in 2045	22.2
Female retiring in 2045	24.6

20. Share Capital

Shares of £1 each and fully paid

	2026	2025
At beginning of year	22	47
Shares issued during the year	1	0
Shares surrendered during the year	0	(25)
At end of the year	<u>23</u>	<u>22</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.

Notes to the financial statements

21. Reserves

	Restricted Reserve £	Revenue Reserve £	Total £
At 1 st April 2025	452,862	1,764,087	2,216,949
Surplus for the year	28,078	176,490	204,568
At 31 st March 2026	<u>480,940</u>	<u>1,940,577</u>	<u>2,421,517</u>

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

22. Capital commitments

The Association has a commitment to fund the remaining contracted work relating to the renewal of a roof at Llwyn Derw at a cost of £98,000.

23. Related parties

The Association provides key management services for two homes in Cardiff owned by a local community church, for Gwalia Rest Bay a Co-ownership Housing Association and The Willie Seagar Memorial Homes in Cardiff.

24. Contingent liabilities

Social Housing Pension Scheme (SHPS)

The Association has been notified by the Trustee of the Scheme that it has been advised to seek clarification from the Court on the historic application of CPI or RPI to Scheme's benefits. This process is ongoing and the matter is not yet resolved. It is recognised that this could potentially impact the value of the Scheme's liabilities. Until the Court process is concluded it is not possible to calculate with accuracy the impact on an individual employer basis.

No adjustment has been made in these financial statements in respect of the potential issue.

Notes to the financial statements

25. Post Balance Sheet Event

None



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