



Tai Calon
Community Housing

Financial Statements

Year ending 31st March 2025



Financial Statements

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Board Members & Professional Advisors

Customer Board Members

Gemma Badham
Shannon Williams
Karen Fowkes (Appointed September 2024)
Joseph Escott (Appointed May 2024 and Resigned September 2024)

Council Board Members

Sonia Behr
Ellen Jones

Independent Board Members

Prof Sir Adrian Webb - Chair
Mike Santon - Vice Chair
Ian Hughes
Neil Harries
Abhishek Vyas
Sian Nicholas

Co-opted Board Members

Peter Nourse
Gavin Sargant
Julie Thomas (Appointed March 2025)

Independent Committee Members

Brian Pickett
Lyndsay Murphy

Executive Officers

Howard Toplis – Chief Executive (Resigned August 2024)
Kevin Bennett – Chief Executive (Appointed November 2024, Resigned May 2025)
Martyn Price – Director of Resources and Company Secretary
Andrew Myatt – Director of Communities & Housing
Richard Hopkins – Director of Assets & Property, Interim CEO September 2024-October 2024
Joanne Curtis – Director of People & Culture (Appointed January 2025)

Registered Office

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

External Auditors

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

Internal Auditors

Forvis Mazars LLP, 30 Old Bailey, London, EC4M 7AU

Bankers

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

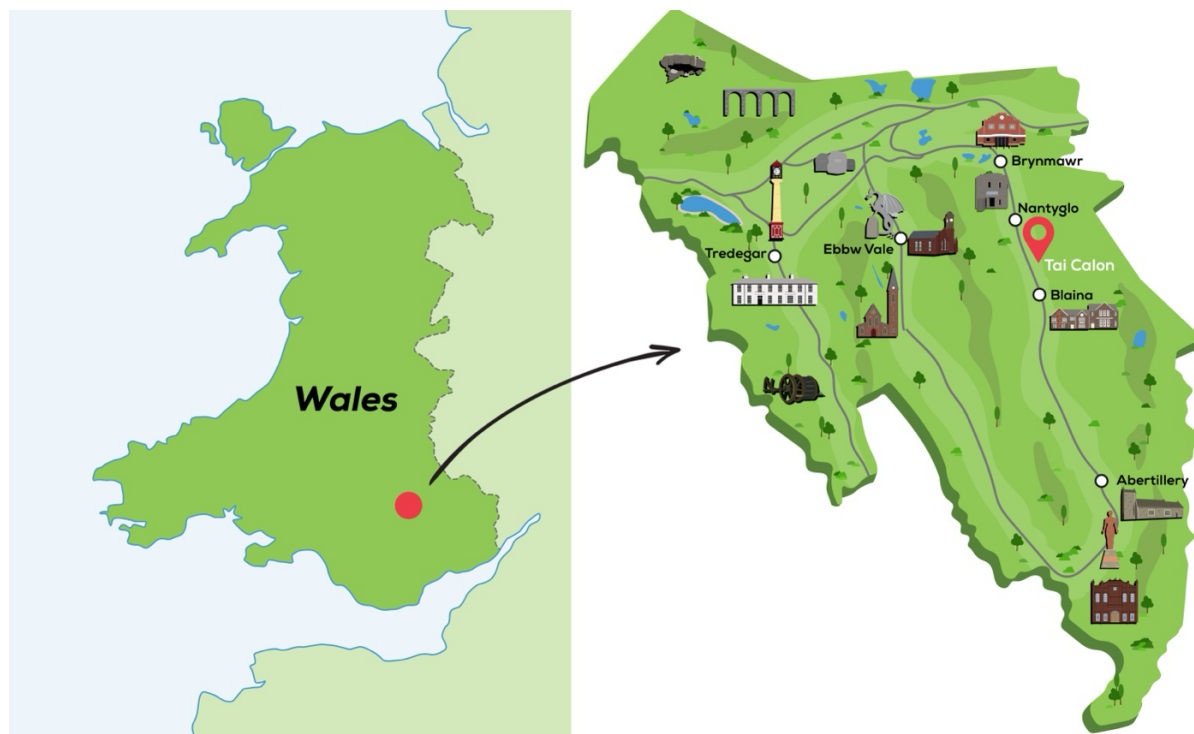
Funders

The Royal Bank of Scotland Plc,
Housing Finance,
7th Floor,
135 Bishopsgate,
London,
EC2M 3UR

Strategic Report

The Board is pleased to present its strategic report, board report and the audited financial statements for Tai Calon Community Housing for the year ended 31st March 2025.

Background and Socio-Economic Context



Tai Calon is proud to be the largest provider of social housing in Blaenau Gwent, managing 5,889 homes and 333 leasehold properties across the borough. These homes have been brought up to the Welsh Housing Quality Standard (WHQS). We're powered by a dedicated team of nearly 300 colleagues who care deeply about making a difference.

Our commitment goes beyond housing. We're responsible for over 100 acres of woodland, rough grassland, and shared green spaces, supporting not just local biodiversity but also community wellbeing.

Since launching in 2010, we've invested more than £266.7 million to improve homes and services for our customers. We don't just provide places to live, we help build strong, thriving communities. We listen to what matters, act on it and work hard to ensure everyone feels safe, supported and valued.

Blaenau Gwent is home to approximately 67,000 people, around 8% are Tai Calon customers. This compares to roughly 4.3% of the population being social housing customers across Wales, based on the latest available data. The unemployment rate in Wales was 5.4% compared to the UK average of 4.4%.

According to the ASHE provisional 2024 figures, gross average weekly earnings were £588 compared to £577 in 2023. Many of Blaenau Gwent's working residents continue to commute outside the borough, which can result in higher travel costs.

Corporate Plan

In 2020 Tai Calon published its Corporate Plan (2020-2025), just over 10 years since Tai Calon was formed, it seemed like a great time to review where we want to go. A new Corporate Plan for 2025-2030 is currently being prepared for launch in late 2025. The 2025 Corporate Plan sets Tai Calon's Vision and Mission as follows

Our Vision

Tai Calon exists to inspire its people so that they go beyond affordable housing and are driven to create vibrant communities across Blaenau Gwent.

Mission

By 2025, over 90% of our customers will be satisfied, or very satisfied, with the overall service that they receive.

Overall satisfaction in 2025 will also reflect customer's opinions on:

- A. The quality of their home; the improvement in its environmental efficiency (subject to funding to achieve a SAP* rating of 85)
- B. The perception of their neighbourhood, which is informed by some of the 200 new homes to be developed across the county.

Culture & Values

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



Creativity - Think differently, challenge processes where they can see improvement, and take risks.



Authentic - To be yourself. To be open, honest and trustworthy, and act with integrity.



Learning - To understand the importance of learning and updating skills and knowledge to be confident in your role.



Ownership - To take ownership of tasks which in turn creates Accountability. That including learning from mistakes and trying new things.



"Not on your own" - We are one team, working together, with care, empathy and consideration. We can't do our jobs without each other!

Our Performance 2024/25

Rent
101.44% Collected 3.10% arrears
Repairs
98.8% Completed to Time 98.83% Appointments Kept Overall satisfaction with repairs 4.74 (CSAT) 94.8%
Empty Homes
19 empty homes on 31 st March 2025 41 days is the average time a home for relet is empty 0.78% income loss whilst homes are empty
Compliance
99.98% gas servicing was completed to time 100% of our homes with a valid electrical certificate less than 5 years 100% fire risk inspection - up to date 100% of properties received a scheduled WMS (water management risk assessment) 100% Passenger Lift (inspected by due date)
Customer Engagement
45,169 customer calls answered, 19,728 emails, 1,028 social media queries, and 396 WhatsApp interactions 87.4% customer calls answered on time 54 formal complaints received 428 Information complaints received (including CSAT scores of 1) 4,883 compliments received

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KPI Performance Indicators (KPIs)

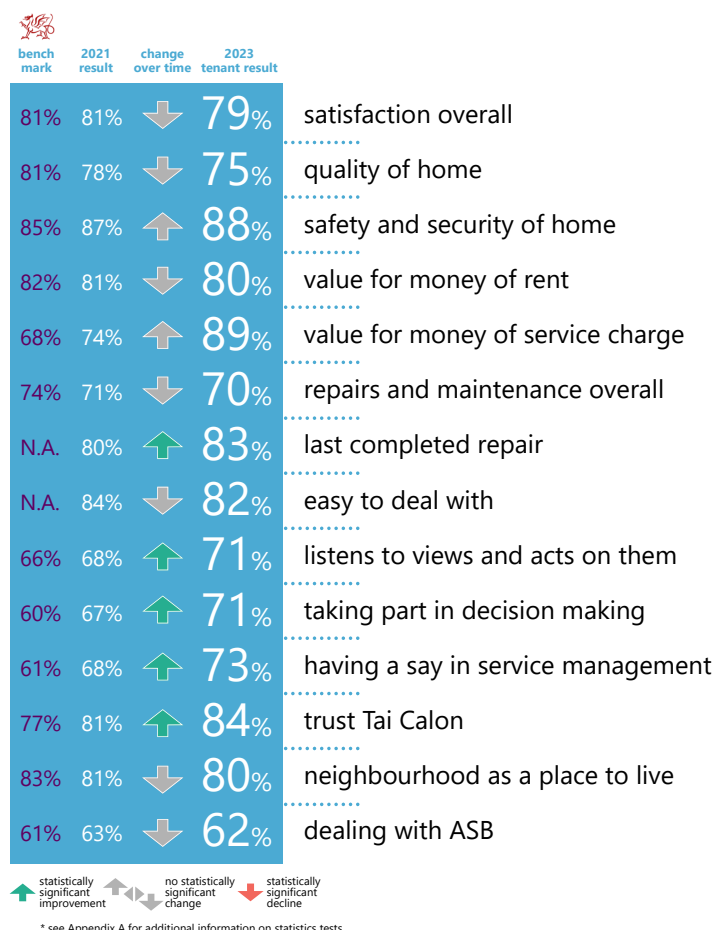
Tai Calon has an agreed set of Key Performance Indicators (KPIs) that cover the operational activities in major areas such as repairs, empty homes and rent collection. We've detailed the highlights of the previous year's performance on the previous pages. Welsh Government also requires all Registered Social Landlords to publish a set of Value for Money KPIs, as shown below.

Value For Money Indicators	Last Reported Wales Sector Average Latest Data 2022/23	Tai Calon 2023/24 (Draft)	Tai Calon 2024/25 (Draft)
Management cost per unit (£)	£1,404	£1,570	£1,643
Routine maintenance cost per unit (£)	£1,430	£1,495	£1,638
Major repairs (capital and revenue) cost per unit (£)	£1,282	£1,504	£1,994
Void loss per social housing unit (£)	£82	£37	£41
Arrears per social housing unit (£)	£281	£63	£161
Operating margin (%)	16.0%	19.6%	23.3%
Gearing (%)	26.8%	33.9%	31.3%
EBITDA MRI Interest Rate Cover (%)	175.8%	134.7%	152.8%
Headline social housing cost per unit (£)	£4,926	£4,690	£5,256
Growth in turnover (%)	5.4%	15.5%	9.6%
Growth in operating costs (%)	9.8%	2.9%	4.5%
Growth in total fixed assets (%)	5.0%	3.4%	4.2%
Growth in long term debt (%)	4.4%	1.7%	-4.8%

More information on performance will be available in our ESG & Performance Report 2024–2025, which is due to be published in October 2025.

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

At Tai Calon, we're committed to reaching 90% customer satisfaction by 2025. To track our progress, we use three key methods to measure satisfaction — most notably, our bi-annual STAR survey.



In Autumn 2023, we sent out our STAR survey to all Tai Calon customers and received 818 responses. The results showed that overall service satisfaction aligned with the 2021 survey. While we had hoped to see an increase in satisfaction, it's important to recognise that this trend reflects a broader picture. Housing providers across the sector reported a decline in satisfaction, which was also mirrored in general customer sentiment across the UK.

Despite this, we were encouraged to see substantial improvements in key customer engagement metrics, which are now performing above sector benchmarks. We also saw a notable improvement in satisfaction with the last completed repair, a known key driver of overall customer satisfaction.

Our following STAR survey will take place in Autumn 2025. It will be a vital milestone in assessing progress towards our long-term satisfaction goals.

Alongside STAR, we gather ongoing customer feedback through monthly SMS and email surveys using our Rant & Rave fast feedback platform. Over the past 12 months, we've averaged 750 monthly responses and achieved a combined customer satisfaction score of 93%, a 1% improvement on the previous year.

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Our surveys measure satisfaction across a broad range of service areas, including:

- Repairs, Maintenance and Compliance
- Major Improvement Works
- Customer Services
- Rent Advice and Support
- Housing Management
- Post-Move (new customers settling into their home)

Since introducing this real-time feedback approach, we've seen a significant improvement in satisfaction scores. Rising from 85% in June 2021 to 93% in June 2024.

Alongside these gains, we've invested heavily in responding to negative feedback. Over the past year, we've reduced the average time to resolve informal complaints and issues from seven days to just three. We've also focused more on turning poor experiences into positive ones, with most cases now resolved within a few days. We're proud that this approach improved the numbers and led to a steady stream of positive customer feedback. Here are just a few recent comments:

"Always polite, friendly, efficient and explained everything to me, always a pleasure to speak with. Well done."

"Very quick in dealing with my enquiry. Very quick calling out to do the repair. Friendly and clean and tidy."

"She was very attentive with my worry and put my mind at rest regarding moving from income support to universal credit with housing benefit payments."

"It's a beautiful house. We feel very lucky and fortunate to have been allocated it. My daughter is registered disabled, but it has its own wet room already, so it's definitely a forever home."

To measure our progress externally, we also use the Institute of Customer Service (ICS) Business Benchmarking Survey. In May 2024, we scored 68.3 out of 100. An increase of 0.3 points from the previous year. While modest, this progress means we are now just 2.3 points below the UK Public Services benchmark of 70.6, reducing the gap by almost two points.

One of the most notable improvements was in complaint handling, where we saw an increase of 3.2 index points, highlighting the impact of our targeted efforts in this area.

As in previous years, we often recognise an 18-month lag between real-time feedback from platforms like Rant & Rave and broader perception-based surveys such as STAR and the ICS benchmark. Given our continued improvements and investment in service delivery, we're confident our STAR 2025 survey will show meaningful gains in overall satisfaction and customer perception.

Assets

Effective asset management and reducing the number of empty homes remain key corporate priorities. In addition, building new homes and acquiring existing ones to meet the needs of current and future generations has become an increasing focus.

Following the recent restructuring of the Assets, Sustainability, and Healthy Homes Teams, we've redirected specialisms and resources to better meet the Welsh Housing Quality Standard 2023 demands and the broader goal of decarbonising our homes.

We're now in a stronger position to analyse our asset data more effectively, enabling us to target investments and resources where they will deliver the greatest benefit to our customers and the organisation. We're also developing new policies to streamline our leasehold portfolio and support informed decisions about future investment or disinvestment.

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Development

Building works at the Glanffrwd development in Ebbw Vale, a scheme of 23 energy-efficient homes for social rent, including houses, flats, and bungalows, were completed in October 2024. The development is now fully occupied. Construction of our second development at Glan-yr-Afon began in April 2024. This scheme will deliver 14 energy-efficient homes (a mix of houses, flats, and bungalows) for social rent and is on track for completion in Autumn 2025.

At Llangynidr Road, the contractor has taken possession of the site to begin constructing seven energy-efficient homes for social rent, comprising two-bed houses and one-bed flats. Completion is scheduled for September 2026.

We are currently awaiting Planning and Sustainable Drainage Approval Body (SAB) approval for the Cwmrhydech Court scheme, which we expect to receive by the end of June 2025. The contract has already been tendered, and construction will begin in September 2025. The scheme will provide 18 energy-efficient homes for social rent, including a mix of two and three-bedroom houses and one-bedroom flats.

These schemes will meet the current Corporate Plan target of delivering 67 new homes.

The consultant team has been appointed, and design work is underway to secure planning permission for 133 more new homes across three sites: Chartist Way, Waundeg, and Moorland Road by the end of 2025.

In addition to the 200 units in the pipeline, we've identified 11.98 acres of suitable development land within Tai Calon's ownership. This land has the potential to accommodate around 176 additional new homes. We're also exploring a potential 'package deal' opportunity from a developer that could deliver a further 40 social rent homes.

Our Active Asset Management approach is key in guiding decisions around investment or disposal when homes become vacant.

Over the past year, the Active Asset Management Group has reviewed 25 void properties and recommended investment in all 25.

Planned Work Programmes

Tai Calon has consistently met the Welsh Housing Quality Standard (WHQS) through significant investment in customers' homes and communities. Improvements have included new windows, roofing, external rendering, fire safety measures, garden upgrades and enhancements to the surrounding neighbourhoods. Between July 2010 and March 2025, we will have invested over £150.2 million in homes and local areas.

We are launching a 5-year investment plan to meet the updated WHQS 2023. This plan will deliver a wide range of major improvement works, including:

- Enhancements to gardens and boundaries (*e.g. paths, walls, fences, gates*)
- Upgrades to home exteriors (*e.g. windows, doors, rendering, roofing, fire safety*)
- Improvements to home interiors (*e.g. boilers, electrical rewiring, kitchens, bathrooms*)
- A review of the St George's Court refurbishment programme
- Energy efficiency improvements following a 'fabric first' approach

These initiatives will ensure we continue to meet our Welsh Housing Quality Standard (WHQS) Compliance Policy 2023 and develop clear energy improvement pathways.

A copy of the full Compliance Policy is available on our website.

Decarbonisation – The Optimised Retrofit Programme (ORP)

In 2024/25, Tai Calon secured an additional £3.2 million in Optimised Retrofit Programme (ORP) grant funding, including £1.2 million from Welsh Government. This funding enabled energy efficiency improvements to over 150 homes during the year.

Upgrades included:

- External Wall Insulation
- Solar PV and Battery Installations
- Replacement of gas boilers with electric heating systems

We are also specifying ICAX Air Source Heat Pumps, manufactured locally in Blaenau Gwent, helping to support local manufacturing, employment, and training opportunities.

The ORP is designed to help social landlords retrofit homes with Energy Efficiency Measures (EEMs). A Retrofit Assessment is carried out to ensure each home receives the most appropriate improvements. This assessment looks at the whole home, technically and from the customer's perspective. It identifies its individual 'Pathway to Zero', a step-by-step plan to reduce the home's carbon emissions over time.

Each home is fitted with an Intelligent Energy System (IES) to monitor the effectiveness of the upgrades. This system collects real-time data on energy use and indoor comfort levels, helping us evaluate the performance of the installed measures and make continuous improvements.

Fire Safety

At Tai Calon, preventing fires and minimising associated risks is a key responsibility we take seriously as a landlord. We achieve this by ensuring all relevant colleagues receive regular fire safety training and by conducting routine inspections of applicable areas.

We also support our residents by providing clear guidance on fire and general safety, helping them to protect themselves, their families, and any visitors in their homes.

Our approach to fire safety is structured around the "Plan, Do, Check, Act" cycle, as recommended in *BS 9997:2019 Fire Risk Management Systems*. This widely recognised framework promotes effective control and continuous improvement.

Performance in fire safety is closely monitored. We report on the completion of assessments and the management of identified fire risks monthly to the Executive Team, quarterly to the Health & Safety and Homes Committee, and every six months to the Board.

Tai Calon works with a dedicated third-party Fire Safety Consultant and a qualified fire risk assessor, who provide expert advice and independent assurance on all fire safety matters, including ongoing fire certification.



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Gas Safety

In March 2025, Corgi Technical Services Ltd carried out a Gas Safety Audit. The audit report includes benchmarking data from similar organisations across the UK, helping us assess our performance against industry standards.

The audit focused on two key performance indicators (KPIs):

1. Correct completion of gas work, ensuring compliance with manufacturers' instructions and Regulation 26(9) of the Gas Safety (Installation and Use) Regulations (GSR).
2. Accurate completion of Landlord Gas Safety Records (LGSRs), in line with GSR Regulation 36(3c).

Together, these KPIs measure the quality of the work performed and the accuracy of the associated documentation.

Over the 12 months, Tai Calon's Gas Safety Team achieved an average score of 85% for records and documentation, slightly above the national benchmark average of 84%.

Landlord Health and Safety Audit

In October 2023, Mazars completed a Key Control Health Check across six Landlord Health and Safety core areas. Their conclusion rated our overall control as "effective" (**Green**), with just two minor recommendations for improvement.

Risk

Like all organisations, Tai Calon faces a range of risks and uncertainties as part of its daily operations. Identifying, understanding, and managing these risks effectively is essential to protect the organisation and support sound decision-making.

The Welsh Government, as our Regulator, expects our Board to have a clear understanding of the key risks facing Tai Calon and to be assured that these risks are being managed proactively and appropriately.

Our risk management process plays a crucial role in helping us evaluate our strengths, weaknesses, and areas for improvement. It ensures we have a strong grasp of both our internal operations and the external environment in which we operate.

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We use a structured approach to managing risk, illustrated in the diagram below.



The significant risks currently facing Tai Calon are summarised on the below:

Strategic Risk	Inherent Risk	Residual Risk	Residual Risk
Risk is that customers, contractors, and the public are not kept safe by the statutory and regulatory environment.	Red	We have implemented a range of safety controls, including policies and procedures, risk assessments, method statements, and planned preventative maintenance. We ensure that safety is highly profiled in the organisation and reported at all levels. We also attend all relevant industry events to stay current with changes in the safety sector.	Green
Governance failure leading to non-compliance with the regulatory requirements set by the Welsh Government or other applicable regulatory bodies.	Amber	The Board stays informed of all relevant regulations through regular briefings and discussions. Tai Calon employs in-house specialists in key regulatory areas and seeks external expert advice when needed. A robust annual self-assessment process is in place, supported by assurance from independent reviews, including internal audits. We also maintain regular engagement with regulators at Welsh Government to ensure ongoing compliance and oversight.	Yellow
Risk of a significant fraud impacting Tai Calon's financial viability, arising from technological weaknesses, policies, or procedures designed to prevent and detect fraud.	Red	Tai Calon has a range of controls across the organisation to help prevent and reduce the risk of fraud. The Audit and Risk Committee reviews these controls regularly, and the internal audit programme provides additional assurance.	Yellow

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There is a risk that key financial plans and assumptions, including those related to Rent Policy and welfare reform, may be inaccurate or unfit for purpose, potentially undermining Tai Calon's financial viability.	Red	We prepare a detailed annual business plan that undergoes extensive stress testing across various scenarios and is approved by our funders. We continuously monitor and review our costs throughout the year to ensure financial resilience. Our approach to rent setting and increases is cautious and informed by the potential impacts of welfare reform. These factors are carefully considered in our medium-term financial planning, which is tested against multiple scenarios to ensure sustainability. We closely track rent arrears using Key Performance Indicators, particularly those linked to welfare reform, and proactively support our customers to help them sustain their tenancies. We are proud that the Welsh Government's latest Regulatory Opinion rated us as Standard, the highest rating, with no adverse comments.	Yellow
If we fail to actively listen to and act on customer feedback, we may not meet our overall customer satisfaction target.	Amber	Our ' <i>Hearing the Voice of the Customer</i> ' strategy combines key elements of the customer experience, including satisfaction measurement, engagement and our approach to customer consultation. Performance is tracked through a dedicated management system that is regularly reviewed by the Homes & Communities Committee. While our STAR survey shows some improvements in satisfaction, it also highlights customer priorities and areas for improvement. We use Rant & Rave to collect real-time customer feedback, benefit from support provided by the Institute of Customer Service and have established service standards for several key areas.	Yellow
There is a risk that Tai Calon may be unable to maintain homes to a high standard, falling short of customer expectations.	Amber	The Asset Management Strategy and Plan, approved by the Board in 2020/21, guide our investment and maintenance decisions based on accurate stock condition data. 87% of our stock surveys are within the required 5-year timeframe, with 737 surveys scheduled for completion in 2025/26 by our Stock and Energy Surveyor, Technical Officers, and Contract Delivery Officers. A five-year Investment Programme is in place, and a governance process ensures informed decisions are made for all empty homes.	Amber
There is a risk that Tai Calon's repairs and maintenance service may fall short of meeting customer expectations regarding quality, responsiveness, or reliability.	Red	Repairs and maintenance procedures are in place, with regular reviews of key performance indicators and customer feedback to monitor and improve service delivery.	Yellow
There is a risk that the average thermal efficiency target (measured as RdSAP75+) will not be achieved by 2030, as required by the WHQS 2023 regulations.	Red	An Asset Management Strategy is in place, and Tai Calon is an active member of the Welsh Government's Optimised Retrofit Programme (ORP). The housing sector has clarified that further debt is not a viable option to fund decarbonisation, as no additional income stream supports repayment. As a result, the industry continues exploring alternative funding options, including off-balance sheet solutions, while lobbying the Government for direct financial support. Due to the ongoing uncertainty around long-term funding for decarbonisation, the residual risk level remains high (red).	Yellow

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There is a risk that Tai Calon is unable to deliver the planned 68 new homes or secure planning approval for a pipeline of 133 additional homes, which would enable accelerated delivery, subject to securing appropriate funding.	Red	Tai Calon's Development Strategy has been approved by the Board, and a dedicated Development Committee, comprising Board Members with specialist development expertise, has been established. We have a strong working relationship with Blaenau Gwent County Borough Council. Key viability assumptions (including finance costs, rental income, grant levels, build costs, and repairs/management expenses) have been agreed. They are used consistently to assess the viability of development schemes. The Welsh Government's new Standard Viability Model will determine the grant rates applied. To support our ambition to deliver 200 new homes, a new loan facility was secured in July 2023.	Yellow
There is a risk of a data security breach due to inadequate technology, policies, or procedures that significantly impact Tai Calon's financial viability.	Red	We have strong assurance measures in place to protect data and ensure security. Regular audits are conducted, and our IT team implements various cyber protection measures, including penetration testing, to guard against cyber fraud.	Yellow

Governance and Internal Control

Tai Calon is governed by a Board and tenant shareholding members, with management led by the Executive Team. As a Community Housing Mutual, customers can become tenant shareholders; at the end of the year, membership stood at 505.

The Board is responsible for Tai Calon's strategic direction, financial integrity, and ensuring resources are in place to meet our goals and service standards.

Board Composition:

- Six independent members, selected by the Board and elected at the Annual General Meeting (AGM)
- Three Customer members, elected by Tai Calon customers and ratified at the AGM
- Two Council-appointed members nominated by Blaenau Gwent County Borough Council
- Up to three co-opted members (non-voting)
- Two independent committee members, selected by the Board

All Board members, except co-opted members, have voting rights. The Executive Team attends meetings but does not vote. The Board typically meets eight times yearly, with members attending committees, working groups, and away days as required.

A Board work plan guides oversight of finances, policy approval, performance monitoring, strategic decision-making, and governance. Tai Calon follows the Community Housing Cymru Code of Governance, complying fully with its seven principles: Organisational Purpose, Leadership, Integrity, Decision Making (including risk and control), Board Effectiveness, Equality, Diversity and Inclusion, and Openness (including accountability).

The Board values self-evaluation and completed a review in 2024 that informed the corporate planning process.

Tai Calon is committed to fairness and equality across all services, recognising the benefits to the Board and colleagues. The Gender Pay Gap Report was published in March 2024, and efforts continue to develop inclusive policies promoting a fair and diverse workplace.

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Committees:

- Audit and Risk Committee: Meets quarterly to oversee audits, risk management, internal controls, fraud prevention, and review financial statements.
- Homes & Communities Committee: Meets quarterly to monitor service delivery and customer engagement.
- Development Committee: This committee was newly created to oversee governance arrangements as Tai Calon expands its development programme.
- People & Culture Committee: Formerly the Remuneration Committee, now expanded to monitor the People & Culture Strategy and oversee Executive appointments and employee terms and conditions.

Tai Calon received a **positive** regulatory judgement, achieving the highest ratings in governance and finance. This is supported by positive internal and external audit reports.

Internal Control

The Board ensures Tai Calon operates effectively and achieves its strategic objectives. A key part of this responsibility is maintaining a robust internal control system that identifies and manages risk. This includes procedures designed to minimise the risk of loss through fraud, corruption, error, or mismanagement. Our Anti-Fraud Policy supports this aim.

Although the Board retains ultimate responsibility for internal control, it delegates oversight to the Audit and Risk Committee, which relies on various sources of assurance.

To support this, the Board has:

- Reviewed our business objectives alongside opportunities, risks, and threats.
- Established and reviewed a risk management framework.
- Identified how it will gain assurance that the risk management systems in place are adequate and working effectively.

Our internal control framework is built on a *Three Lines of Defence* model, with assurance provided through:

- Experienced and appropriately trained colleagues responsible for key decisions and processes, with supervision and performance monitoring in place.
- Ongoing scrutiny from the Audit and Risk Committee, including regular reports on internal controls, fraud, and irregularities.
- Regular reporting from directors and senior managers on operational and financial performance, providing assurance that controls are functioning.
- Active monitoring and reporting of risk, including risk control results and updates to strategic and operational risk maps.
- Independent reviews from Internal and External Auditors, whose findings are monitored and acted upon by the Audit and Risk Committee.
- Monitoring performance across key business areas through defined metrics and reporting.
- Strong corporate governance arrangements and compliance with all relevant regulatory standards.
- Additional assurance work, particularly around health and safety compliance and landlord responsibilities, including an independent peer review.

The Association received a positive internal audit opinion during the year. The Executive Team and the Audit and Risk Committee have continued to monitor the implementation of internal audit recommendations. Following their review, the Audit and Risk Committee reported favourably to the Board on the effectiveness and reliability of the internal control system.

Based on this evidence, the Board is satisfied that there are no material weaknesses in our internal control system that would require disclosure in the financial statements or the auditor's report.

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Financial Performance

The 2024/25 financial statements have been prepared in accordance with the Financial Reporting Standard (FRS 102) and the Housing Statement of Recommended Practice (SORP) 2018.

For the year ending 31st March 2025, Tai Calon reported a surplus of £3.238 million, compared to a deficit of £1.801 million in the previous year. This improvement was primarily driven by increased revenue (including additional revenue grants), lower interest costs, and a reduced pension fund adjustment.

Management has carefully assessed the extent to which a pension asset can be recognised, in line with accounting standards. These require any defined benefit asset to be limited to the lower scheme surplus or the asset ceiling, the present value of economic benefits available through scheme refunds or reduced future contributions. Further information is provided in Note 24, with estimates and judgements explained in Note 2.

The financial statements also include:

- A Statement of Financial Position, outlining Tai Calon's assets, liabilities and equity as of 31st March 2025; and
- A Statement of Cash Flows, detailing changes in cash and cash equivalents during the year.

In line with Welsh Government accounting requirements, we have also reported Free Cash Flow, which provides a more precise measure of operational efficiency.

2024/25 Financial Statement - Results Summary	For the year ended 31st March 2025	For the year ended 31st March 2024	Movement
Statement of Comprehensive Income	£'000	£'000	£'000
Turnover	37,083	33,839	3,244
Operating Expenditure	(28,446)	(27,216)	(1,230)
Surplus on disposal of property, plant and equipment	0	0	0
Operating Surplus / (Deficit)	8,637	6,623	2,014
Net Interest	(4,349)	(6,058)	1,709
Pension Fund Adjustment	(1,050)	(2,366)	1,316
Net Surplus / (Deficit) on Comprehensive Income for the Year	3,238	(1,801)	5,039

Financial Overview

Turnover has increased by 9.6%, rising from £33.839 million to £37.083 million. This growth was primarily driven by a rise in rental income, set by the Board in line with Welsh Government rent policy and additional revenue grants totalling £3.218 million.

The operating surplus for the year was £8.637 million, which is £2.014 million higher than in 2023/24. Net borrowing costs amounted to £4.349 million, slightly lower than the previous year due to a combination of lower interest rates and reduced borrowing. Total borrowings at year-end stood at £65.0 million, down from £68.4 million in 2023/24.

As of 31st March 2025, Tai Calon had £30.0 million in unutilised committed funding, available subject to annual covenant compliance. This adds to our liquidity alongside £2.208 million in cash held at the bank. All borrowings are at fixed interest rates, maintaining a debt ratio of 100%, which aligns with our Treasury Management Strategy. We met all loan covenant requirements, including cash flow, asset cover, and debt per unit.

As part of our annual corporate planning cycle, we have set the 2025/26 Budget, refreshed our Medium-Term Financial Plan and updated our 30-Year Business Plan. The plan includes a significant investment in housing improvements, including ongoing decarbonisation and roofing programmes. We have secured a new £95 million funding facility, including a £30 million revolving credit facility, which allows for flexible drawdown and repayment as needed.

The Business Plan is reviewed annually by funders and scrutinised by the Regulator as part of its regulatory judgement. It is built on key assumptions covering stock condition survey costs, inflation, interest rates, rent

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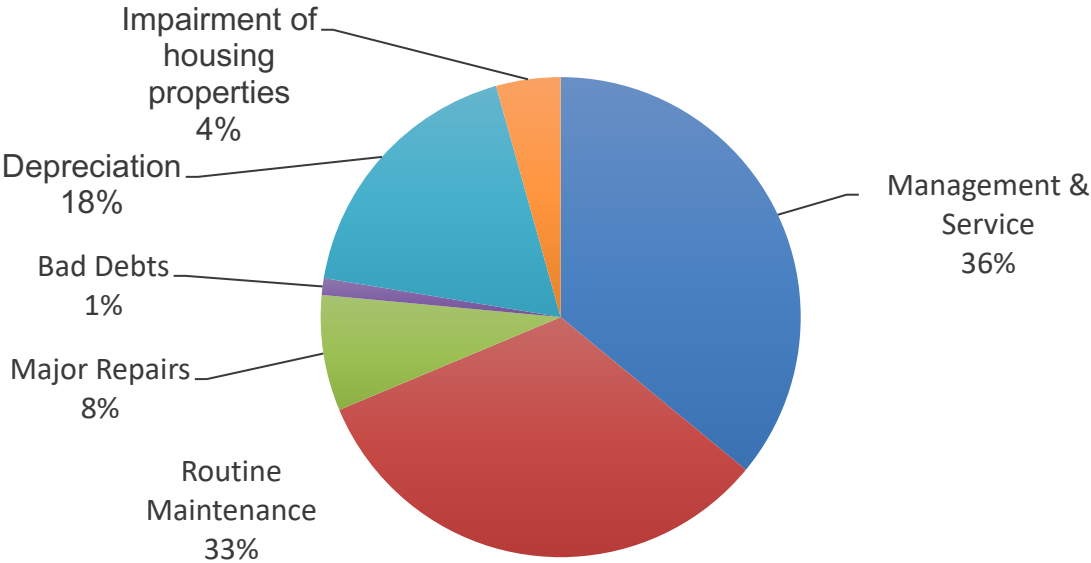
Year ended 31st March 2025

increases, welfare reform impacts, levels of void properties and management costs. These assumptions are regularly reviewed and stress-tested through sensitivity and scenario analysis.

We are pleased to have received a Regulatory Judgement of 'Standard', confirming our financial viability and ability to respond effectively to future challenges.

Analysis of Operating Expenditure 2024/25

Analysis of Operating Expenditure for the year ended 31st March 2025



Statement of Board Responsibilities

The Board is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Under the Co-operative and Community Benefit Societies Act 2018 and Registered Social Landlord legislation, the Board must prepare financial statements for each financial year that provide an accurate and fair view of the Association's financial position and its surplus or deficit for that period.

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

Select appropriate accounting policies (as outlined on pages 29 to 36) and apply them consistently.

Make reasonable and prudent judgements and estimates.

Prepare the financial statements on a going-concern basis unless assuming the Association will continue operating is inappropriate.

The Board is also responsible for:

Maintaining accurate accounting records that clearly show the Association's financial position at any time.

Ensuring the financial statements comply with relevant legislation.

Safeguarding the Association's assets by taking reasonable steps to prevent and detect fraud and other irregularities.

Additionally, the Board is responsible for maintaining the integrity of financial and corporate information published on the Association's website. Please note that UK legislation governing financial statement preparation and publication may differ from other jurisdictions.

To the best of the Board's knowledge:

- There is no relevant audit information of which the Association's auditors are unaware, and.
- The Board has taken all necessary steps to ensure it is aware of any relevant audit information and that the auditors are also fully informed.

Approved on behalf of the Board by:



Professor Sir Adrian Webb, Chair of the Board

28th July 2025

Financial Statements

Year ended 31st March 2025

Independent auditor's report to the members of Tai Calon Community Housing registered under the Co-Operative and Community Benefit Societies Act 2014

In addition to our audit on the financial statements for the year ended 31st March 2025, we have reviewed the Board's statement of Tai Calon Community Housing Ltd. ("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 Control's on page 16, in our opinion the Board of Management has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work in the financial statements.



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

Date: 28th July 2025

Independent auditor's report to the members of Tai Calon Community Housing

Opinion

We have audited the financial statements of Tai Calon Community Housing for the year ended 31st March 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:

- present a true and fair view of the Association's financial position as of 31st March 2025, and of its income and expenditure for the year then ended.
- have been properly prepared in line with UK Generally Accepted Accounting Practice.
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords (Wales) General Determination 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 were:

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Financial Statements

Year ended 31st March 2025

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 based on these financial statements.

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

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

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

Identifying and assessing potential risks related to irregularities.

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

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the organisation's policies and procedures relating to:
- identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance.
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

Audit response to risks identified

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations.
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- reading minutes of meetings of those charged with governance and reviewing correspondence with regulators; and

Financial Statements

Year ended 31st March 2025

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Use of our report

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



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

Date: 28th July 2025

Financial Statements

Statement of Comprehensive Income

For the year ended 31st March 2025

	Notes	For the year ended 31 st March 2025	For the year ended 31 st March 2024
		£'000	£'000
Turnover	3	37,083	33,839
Operating costs	3	(28,446)	(27,216)
Surplus on disposal of property, plant and equipment	6	0	0
Operating Surplus		8,637	6,623
Interest receivable		136	64
Interest payable and similar charges	12	(4,485)	(6,122)
Surplus (Deficit) on ordinary activities before taxation		4,288	565
Taxation		0	0
Surplus (Deficit) for the year after tax		4,288	565
Changes in pension past service deficit contribution liability on revaluation	25	(1,050)	(2,366)
Total Comprehensive income Surplus for the year		3,238	(1,801)

Tai Calon's income and expenditure relate to continuing operations. There is no difference between the historic cost results and those shown on the Statement of Comprehensive Income above.

Financial Statements

Year ended 31st March 2025

Statement of Changes in Reserve

For the year ended 31st March 2025	Income & Expenditure Reserve £'000	Revaluation Reserve £'000	Total Reserve £'000
At 1 st April 2024	(6,684)	44,809	38,125
Surplus (Deficit) from Comprehensive Income	3,238	0	3,238
Transfer from Revaluation Reserve	319	(319)	0
At 31st March 2025	(3,127)	44,490	41,363

Financial Statements


Year ended 31st March 2025

Statement of Financial Position As at 31st March 2025

	Notes	For the year ended 31 st March 2025 £'000	For the year ended 31 st March 2024 £'000
NON-CURRENT ASSETS / FIXED ASSETS			
Property, Plant & Equipment			
Social Housing Properties	13	152,081	145,846
Other Property, Plant & Equipment	13	9	10
Other Fixed Assets	14	1,971	2,014
		154,061	147,870
Current assets			
Debtors			
Amounts falling due within one year	16	3,626	11,127
Amounts falling due after one year	17	1,506	16,020
Cash at bank and in hand		2,208	3,984
		7,340	31,131
Current liabilities			
Creditors: amounts falling due within one year	18	(5,590)	(16,853)
Social Housing Grant and Other Grants: amounts falling due within one year	15	(1,577)	(1,466)
Net current assets		173	12,812
Total assets less current liabilities		154,234	160,682
Current liabilities			
Creditors: amounts falling due after more than one year	19	(64,303)	(78,662)
Social Housing Grant and Other Grants: amounts falling due after one year	15	(48,567)	(43,894)
LGPS Pension Fund Asset/(Liability)	25	0	0
Total net assets		41,364	38,126
Capital and reserves			
Share capital	20	1	1
Income & Expenditure Reserve		(3,127)	(6,684)
Revaluation Reserve		44,490	44,809
Total capital and reserves		41,364	38,126

The financial statements were approved by the Board of Management on 28th July 2025 and signed on its behalf by:


Professor Sir Adrian Webb
Chair


M Santon
Vice Chair


M Price
Secretary

Financial Statements

Year ended 31st March 2025

Statement of Cash Flows

For the year ended 31st March 2025

	For the year ended 31 st March 2025 £'000	For the year ended 31 st March 2024 £'000
Operating Surplus / (Deficit)	8,637	6,623
Adjustments for non-cash items		
Depreciation of tangible fixed assets	5,228	4,975
Impairment of tangible fixed assets	1,280	261
Government grants utilised in the year	(1,577)	(1,412)
Working capital movements		
Decrease in debtors	21,225	5,009
Decrease/ (increase) in operating creditors	(22,384)	(6,020)
(Decrease) / increase in provisions	261	(3)
Decrease in stock	529	(243)
Pension costs less contributions paid	(1,050)	(337)
Net cash generated from operating activities	12,149	8,853
Interest received	136	65
Interest paid	(4,485)	(5,926)
Prepaid loan fees	162	49
Component Replacement	(9,445)	(5,417)
Adjustment for reinvesting in existing activities:		
Purchase of tangible fixed assets	(94)	(291)
Free cash generated / (consumed) before loan repayments	(1,577)	(2,667)
Repayment of borrowings	(3,400)	(40,750)
Free cash generated / (consumed) after repayment of borrowings:	(4,977)	(43,417)

Financial Statements

Year ended 31st March 2025

	For the year ended 31 st March 2025 £'000	For the year ended 31 st March 2024 £'000
Cash flow from investing activities		
Purchase and development of properties	(3,202)	(4,348)
Grants received	6,403	7,027
Cash flow from financing activities		
New secured loans and drawdowns from existing revolving credit facilities	0	41,900
Net (decrease) / increase in cash and cash equivalents	(1,776)	1,162
Cash and cash equivalents at the beginning of the year	3,984	2,822
Cash and cash equivalents at the end of the year	2,208	3,984
b. Reconciliation of cash inflow to movement in net debt		
	For the year ended 31 st March 2025 £'000	For the year ended 31 st March 2024 £'000
Increase/(Decrease) in cash and cash equivalents	(1,776)	1,162
(Decrease)/Increase in loans	3,400	(1,150)
Decrease/(Increase) in net debt	1,624	12
Net debt as of 1 st April 2024	(64,416)	(64,428)
Net debt at 31st March 2025	(62,792)	(64,416)

c. Analysis of net debt	Cash at bank and in hand £'000	Loans £'000	Changes in net debt £'000
At 1 st April 2024	3,984	(68,400)	(64,416)
Net cash flows	(1,776)	3,400	1,624
At 31 st March 2025	2,208	(65,000)	(62,792)

Notes to the Financial Statements

1. Legal Status

Tai Calon is registered under the Co-operative and Community Benefit Society Act 2014 and is a Registered Social Landlord. Tai Calon has adopted charitable rules.

2. Principal Accounting Policies

A summary of significant accounting policies, which have been applied consistently, are set out below:

Format of Accounts

The financial statements have been prepared in accordance with the applicable financial reporting statements in the United Kingdom including the Statement of Recommended Practice for “Accounting for Registered Social Providers” as updated in 2018 (Housing SORP 2018 and comply with the Accounting Requirements for Social Landlords registered in Wales General Determination 2015. All amounts are registered in thousands of pounds.

Basis of Accounting

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

Basis of Preparation

Tai Calon’s business activities, its current financial position, and factors likely to affect its future development are set out within the strategic report. Tai Calon has in place long term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the day-to-day operations. Tai Calon also has a long-term business plan which shows that it can service these debt facilities whilst continuing to comply with lenders’ covenants.

On this basis, the Board has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Adoption of the Housing SORP 2018

Tai Calon has adopted the Housing SORP 2018 and, as appropriate, Financial Reporting Standard 102 (“FRS102”). Tai Calon is classed as a public benefit entity under FRS102.

Turnover

Turnover represents rental and other income receivable and revenue grants receivable. It also includes grants reimbursing specific expenditure on the improvement programme and amortisation of Social Housing Grant. Disposals of fixed assets such as property sales income are not included in turnover.

Financial Statements

Year ended 31st March 2025

Housing properties

Housing Properties acquired in 2010 are restated on a deemed historic cost basis for freehold land and buildings. Housing Properties are then depreciated except for freehold land which is held as a separate fixed asset. Historic cost for capital works undertaken since 2010 is included at historic cost less depreciation.

Any overhead costs directly attributable to bringing fixed assets into their working condition for their intended purpose are capitalised. Expenditure on initial purchase of land and buildings is capitalised and disclosed as part of housing properties in course of construction within tangible fixed assets. Any directly attributable finance costs (other than interest costs) are capitalised as the asset is developed and amortised over the life of that asset. Tai Calon will capitalise interest on loans raised to finance schemes prior to completion.

Housing Properties - New Developments

The new development of housing properties is stated at cost less depreciation. The cost comprises its construction or purchase price and any costs, fees or works directly attributable to bringing it into working condition for its intended use.

In addition, directly attributable costs of the Association's colleagues arising directly from the construction, or acquisition of the property, and the incremental costs of the Association are capitalised where they relate to expenditure that would not have been incurred if the Association did not have an ongoing development programme. Detailed analysis of colleagues' development activity is used as a basis of determining the amount of colleagues cost capitalised.

The building and components depreciable amount are written off when each scheme is completed over the estimated useful lives as stated in the depreciation policy.

Stock

Stocks are stated at the lower of cost or net realisable value. Cost includes all costs incurred in bringing each item to its present location and condition. Net realisable value is based upon estimated selling price less any further costs expected to be incurred to completion and disposal.

Tangible Fixed Assets - Other

Other Tangible Fixed Assets covers capital expenditure which pays for improvements to existing and new non-housing assets. Examples include office premises, scheme equipment, vehicles, and office equipment. The depreciation policy applied to these other tangible fixed assets sets out the expected useful economic life in respect of these other fixed asset classes.

Interest payable

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

Financial Statements

Year ended 31st March 2025

Depreciation

Tai Calon depreciates its housing properties in accordance with the Statement of Recommended Practice (SORP) 2018 "Accounting by Registered Social Landlords". A revaluation was completed in 2014, as a result depreciation is charged on deemed cost. Freehold land is not depreciated.

In line with FRS102 grant is accounted for separately on the face on the Statement of Financial Position sheet as either a long term or short-term creditor. Further detail is included in the accounting policy on grants.

The depreciable amount is written off over the estimated useful lives from the date of purchase / build as follows:

Houses

New build properties	100 years
Acquisition / refurbishments	100 years

Assets under construction are not depreciated until the works are completed.

Properties on long leases are depreciated over the shorter of the above and/or the remaining period of the lease.

The policy in respect of expenditure to refurbish or replace major components on housing properties is that all such work is assessed against life cycle costing principles. Any cost in respect of repairs with a life of less than 10 years is charged direct to the Statement of Comprehensive Income. Refurbishment or replacement of major components which have an estimated useful life more than 10 years are capitalised and depreciated over the useful life of the component as follows:

Kitchens	15 years
Bathrooms	25 years
Re-wiring	25 years
Boiler Installations	15 years
Central heating	30 years
Renewable Energy = PV Panels	25 years
Renewable Energy = Heating	20 years
Renewable Energy = Components	15 years
Sprinkler Systems	15 years

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Year ended 31st March 2025

Windows	30 years
Doors	25 years
Structural works	50 years
Roofing	60 years
Stairlifts	20 years

Depreciation is charged over the expected useful economic life of other fixed assets as follows:

Office refurbishment	10 years
Office & IT equipment	5 years
Vehicles and equipment	5 years
Head Office	50 years

Grants and Amortisation

Welsh Government (WG) provides a social housing grant (SHG) to support the capital costs of developing or acquiring new social housing. This grant is repayable if the property is sold, demolished, or its use changes to an ineligible activity unless WG determines that repayment should be reduced.

Government grants for housing properties are recognised as income over the useful life of the housing property components. The excess is also recognised as income when the grant exceeds the associated capital investment.

Depending on the circumstances, SHG that is either due from the WG or received in advance is recorded as a current asset or liability. Grants received for revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the related expenditure.

By agreement with WG, SHG is subordinated to loan repayments. The associated SHG may need to be repaid if a property is sold. However, in most cases, the grant can be recycled and is transferred to a Recycled Capital Grant Fund, which is reported as a liability in the Statement of Financial Position.

Disposal of individual property components does not typically trigger grant recycling. However, if the entire property is disposed of, the Association must recycle the original amount of SHG received. A

Financial Statements

Year ended 31st March 2025

contingent liability is disclosed in the financial statements to reflect the potential obligation to recycle grant funds previously amortised, in the event of a future property sale.

Recycling of Grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the Statement of Financial Position related to this asset is derecognised as a liability and recognised immediately as revenue in the Statement of Comprehensive Income.

Housing Support Grant

Housing Support Grant income and expenditure is accounted for on an accrual's basis, matching income and expenditure and disclosures are made in accordance with relevant standards and legislation.

Impairment

Housing properties are annually reviewed for impairment (i.e. the amount by which the carrying amount of an asset exceeds its selling price less cost to sell, or its recoverable amount). Where there is evidence of impairment, housing properties are written down to their recoverable amount.

Repairs and maintenance

The costs of repairs and maintenance are expensed as incurred based on work done at the date the financial statements are prepared.

Operating leases

Costs in respect of operating leases are charged to the income and expenditure account as they are incurred.

Taxation

Value Added Tax

Tai Calon is registered for VAT. The financial statements include VAT to the extent that it is suffered by Tai Calon and not recoverable from HM Revenue and Customs (HMRC). The balance of the VAT payable or recoverable at the year-end is included as a current asset or liability.

VAT Shelter

Tai Calon has a 15-year VAT shelter in place, approved by HMRC. The VAT Shelter transfers the VAT costs of the works required to meet the Welsh Housing Quality Standard (WHQS) to Blaenau Gwent County Borough Council.

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Year ended 31st March 2025

As part of the transfer agreement, Blaenau Gwent County Borough Council transferred the properties to Tai Calon with an obligation to undertake the works to meet WHQS at the Council's expense. Tai Calon is entitled to reclaim VAT on the costs incurred in meeting the WHQS as detailed in the Development Agreement which forms part of the transfer agreement.

Under FRS 102/SORP 2018 the Association is required to show the separate elements of the outstanding amounts relating to the original transfer of assets. The value of works to be completed has now been estimated to be zero; therefore, no adjustment has been made in the accounts.

Corporation Tax

Tai Calon Community Housing Limited is regulated by the Financial Conduct Authority as a Community Benefit Society with exempt charitable status. Due to its charitable status Tai Calon is not liable for Corporation Tax on its core activities.

Provisions

Provisions are recognised where uncertainty exists regarding the timing or amount that may be required to settle potential liabilities. Any amounts provided are charged to the income and expenditure account and credited to the Statement of Financial Position based upon Tai Calon's best estimate of potential liabilities.

Employee Benefits:

The cost of all employee benefits, to which employees have become entitled, because of their service to the Association during the reporting period, should be included as a liability.

Pension costs

Tai Calon participates in the Local Government Pension Scheme, a defined benefits scheme managed by Torfaen County Borough Council (Greater Gwent). Contributions are assessed in accordance with the advice of an independent qualified actuary. Certain information concerning the assets, liabilities, income, and expenditure relating to the LGPS scheme are disclosed in accordance with FRS 102.

From July 2018 the LGPS is closed to new entrants; a Defined Contribution Pension Scheme with the Peoples Pension Trust has been put in place for new entrants. The amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs is the contributions payable in the year.

Loans

Basic financial instruments are recognised at amortised historical cost.

Short Term Debtors

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Income Statement in other operating expenses.

Financial Statements

Year ended 31st March 2025

Revaluation Reserve

Housing Land & Buildings were revalued at the 31st March 2014 based on deemed costs. The valuation based on deemed cost resulted in a Revaluation Reserve of £49.917m being created. Depreciation of the 'Deemed Costs' assets will be funded from the Revaluation Reserve.

Significant Management Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(a) Significant management judgements

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

Impairment of social housing properties

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

(b) Estimation uncertainty

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

Fair value measurement

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

Provisions

Provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Defined benefit pension scheme

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

Tai Calon have carefully considered the extent to which a pension asset should be recognised under accounting standards, which require an entity to limit the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit scheme and the asset ceiling. The asset ceiling is defined to be the present value of the economic benefit available in the form of refunds from the scheme or reductions to future contributions. Under International Financial Reporting Interpretations Committee (IFRIC) guidance 14, a refund is available to an entity if the entity has an unconditional right to such a refund. Management have taken advice to understand the circumstances under which any surplus assets might not be refunded to Tai Calon and have made the judgement that Tai Calon do not have the unconditional right to a refund and therefore has removed the pension asset, in line with relevant accounting standards. The adjustment to the asset represents the Asset Ceiling applied to Net present value of future service cost less present value of future employer contribution over the future working lifetime.

c) Materiality

If information is misstated, omitted, incorrectly shown, or not disclosed, it has the potential to influence or change the decisions or judgements taken by the majority of reasonable persons relying on the financial statements or those charged with governance. The Association recognises that any materiality threshold should be based upon what will affect users' decisions. Materiality is a matter of professional judgement influenced by the characteristics of the entity and the perceptions as to who are, or are likely to be, the users of the financial statements and their information needs. The Association considers several quantitative and qualitative judgements in assessing whether a misstatement is material. Separately the Association's Auditors also consider these points.

Financial Statements

Year ended 31st March 2025

3. Turnover, operating costs and deficit

	Year ended 31 st March 2025			Year ended 31 st March 2024		
	Turnover £'000	Operating Costs £'000	Operating Surplus £'000	Turnover £'000	Operating Costs £'000	Operating Surplus £'000
Social Housing Lettings						
General needs housing	36,391	28,211	8,180	33,555	27,019	6,536
Fully rented housing accommodation	36,391	28,211	8,180	33,555	27,019	6,536
Garages	43	0	43	39	0	39
Other activities	649	235	414	245	197	48
Total	37,083	28,446	8,637	33,839	27,216	6,623

4. Turnover from lettings

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	£'000	£'000
General Needs and Sheltered Housing		
Rents receivable	30,990	28,390
Service charges receivable	466	419
Income for Support Services	140	130
Amortisation of Social Housing Grant & Other Government Grants	1,577	1,412
Other Revenue Grants	3,218	3,204
Turnover from Social Housing Lettings	36,391	33,555

Financial Statements

Year ended 31st March 2025

5. Operating costs from lettings

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	£'000	£'000
General needs housing		
Management costs	9,676	9,133
Service Charge Costs	935	1,052
Routine Maintenance	9,648	8,697
Major Repairs Expenditure	2,298	3,245
Bad Debts	333	120
Depreciation of housing properties	5,091	4,848
Impairment of housing properties	1,280	261
LGPS Income & Expenditure Charge	(1,050)	(337)
Operating costs on social housing activities	28,211	27,019
Operating Surplus on social housing lettings	8,180	6,536
Rent losses due to voids (memorandum note)	244	214

6. Surplus on disposal of property, plant & equipment

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	£'000	£'000
Sale proceeds	0	0
Cost of sales	0	0
Surplus on disposal	0	0

Welsh Government decided to cease the Right to Buy in January 2019. Tai Calon have not sold any properties on the Open Market in the Financial Year ending 31st March 2025.

Financial Statements

Year ended 31st March 2025

7. Impairment

Asset component impairments of £1,740,910 less associated depreciation of £419,131 and grant impairment of £68,738 less associated amortised grant of £26,859 are reflected in the accounts in notes 13 and 15 relating to write offs of components.

8. Operating deficit for the year

	For the year ended 31st March 2025	For the year ended 31st March 2024
	£'000	£'000
Operating Surplus for the year is stated after charging:		
Depreciation	5,228	4,975
Amortisation	1,577	1,412
Operating leases – Other	454	517
Bad Debts	333	120
Auditor's remuneration (inclusive of VAT):		
in their capacity as auditors	22	26

9. Board members and senior executives' emoluments

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

	For the year ended 31st March 2025	For the year ended 31st March 2024
	£'000	£'000
Emoluments (including pension contributions and benefits in kind)*	539	555
Emoluments (excluding pension contributions) paid to the highest paid senior executive	109	130

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

Financial Statements

Year ended 31st March 2025

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

	2025	2024
	No.	No.
£nil	0	0
£1 - £50,000	18	14
£50,001 - £60,000	2	0
£60,001 - £70,000	0	0
£70,001 - £80,000	0	1
£80,001 - £90,000	0	0
£90,001 - £100,000	1	3
£100,001 - £110,000	2	0
£110,001 – £120,000	0	0
£120,001 - £130,000	0	1

Financial Statements

Year ended 31st March 2025

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

	For the year ended 31st March 2025 £	For the year ended 31st March 2024 £
Prof Sir Adrian Webb (Chair)	12,316	12,314
Katherine Howells (Resigned)	0	2,731
Neil Harries (Chair of Audit & Risk Committee)	8,167	8,011
Christopher Jofeh (Resigned)	0	264
Ian Hughes (Chair of Schedule 1 Committee)	7,290	6,201
Mike Santon (Chair of Homes & Communities Committee)	8,089	7,585
Gemma Badham	5,000	5,000
Abhishek Vyas	5,000	5,032
Jenny White (resigned)	0	4,624
Shannon Williams	6,563	5,804
Ellen Jones	5,000	5,000
Sonia Behr	5,000	5,000
Sian Nicholas (Independent Committee Member)	5,120	2,575
Brian Pickett (Independent Committee Member)	2,671	2,500
Peter Nourse	5,468	4,127
Gavin Sargent	5,256	94
Lindsay Murphy	2,510	47
Joe Escott (resigned)	1,634	0
Karen Fowkes	2,728	0
Total	87,812	76,909

Financial Statements

Year ended 31st March 2025

10. Employee and employer costs

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	£'000	£'000
Colleagues' costs during the year:		
Wages and Salaries	9,789	8,834
Social security costs	944	869
Other pension costs	611	1,096
	11,344	10,799

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	No.	No.
Average number of full-time equivalent employees during the year:		
Management and administration	171	165
Wardens, caretakers, and cleaners	8	13
Housing repair service	96	86
	275	264

11. Interests and related party transactions

During the year, Tai Calon provided rented accommodation to four Board members who were customers of Tai Calon and charged rent to those members on Tai Calon's standard terms. Customer Board members are unable to use their position to their advantage. Where Board members are Councillors, any transaction with those local authorities is at an arm's length basis and as such Board members are unable to use their position to their advantage.

During the year the Association provided Interest Free Loans to Employees repayable through salary deductions over 12 months. These are included within the current assets on the Statement of Financial Position.

Financial Statements

Year ended 31st March 2025

12. Interest payable and similar charges

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	£'000	£'000
Interest payable and similar charges	4,485	6,122
	4,485	6,122

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

	Social Housing properties held for letting £'000	Housing properties in the course of construction £'000	Other Property, Plant & Equipment £'000	Total for the year ended 31 st March 2025 £'000
Cost				
At 1 st April 2024	177,247	9,770	14	187,031
Additions during the year	9,445	3,202	0	12,647
Transfer on completion	7,958	(7,958)	0	0
Impairments during the year – components	(720)	(1,021)	0	(1,741)
Disposal during the year	0	0	0	0
At 31st March 2025	193,930	3,993	14	197,937
Depreciation				
At 1 st April 2024	41,171	0	4	41,175
Charge for the year	5,090	0	1	5,091
Transfer on completion	0	0	0	0
Impairments during the year	(419)	0	0	(419)
At 31st March 2025	45,842	0	5	45,847
Net book value				
At 31st March 2025	148,088	3,993	9	152,090
At 1 st April 2024	136,076	9,770	10	145,856

Financial Statements

Year ended 31st March 2025

Major repairs and investment in existing properties to let during the year amounted to £11.743 million. This has been accounted for as follows:

	For the year ended 31 st March 2025 Total £'000	For the year ended 31 st March 2024 Total £'000
Freehold Property and Land		
Planned maintenance (revenue)	2,298	3,245
Investment (capital)	9,445	5,504
	11,743	8,749

	For the year ended 31 st March 2025 No.	For the year ended 31 st March 2024 No.
Units in Management:		
General needs housing properties in management	5,853	5,819
General needs housing properties not in management	36	42
Leasehold management services	333	333
	6,222	6,194

Financial Statements

Year ended 31st March 2025

14. Property, Plant & Equipment – Other Fixed Assets

	Office premises £'000	Vehicles & office equipment £'000	Total for the year ended 31 st March 2025 £'000
Cost			
At 1 st April 2024	3,189	1,432	4,621
Additions during the year	12	82	94
Disposals during the year	0	0	0
At 31st March 2025	3,201	1,514	4,715
Depreciation			
At 1 st April 2024	1,397	1,210	2,607
Charge for the year	49	88	137
At 31st March 2025	1,446	1,298	2,744
Net book value			
At 31st March 2025	1,755	216	1,971
At 1 st April 2024	1,792	222	2,014

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Year ended 31st March 2025

15. Social Housing Grant & Other Government Grants

	Social Housing Grant £'000	SHG In The Course of construction £'000	Other Government Grants £'000	ARBED /CESP Grant £'000	Total for the year ended 31 st March 2025 £'000
At 1 st April 2024	44,467	7,122	225	501	52,315
Additions during the year – components	4,991	1,412	0	0	6,403
Transfer	4,039	(4,039)	0	0	0
Impairments during the year – components	0	0	0	0	0
Disposal during the year – components	(69)	0	0	0	(69)
At 31st March 2025	53,428	4,495	225	501	58,649
Amortisation					
At 1 st April 2024	6,869	0	5	81	6,955
Charge for the year	1,562	0	5	10	1,577
Impairments during the year	0	0	0	0	0
Disposals during the year	(27)	0	0	0	(27)
At 31st March 2025	8,404	0	10	91	8,505
Net Book Value					
At 31st March 2025	45,024	4,495	215	410	50,144
At 1 st April 2024	37,598	7,122	220	420	45,360

Gap Funding of £4.200 million has been received from the Welsh Government during the year. A total of £1.438 million has been capitalised in the year. A further £2.762 million of grant has been utilised for revenue works in the year. ARBED and Community Energy Savings Programme (CESP) relates to grant funding provided by Welsh Government aimed at energy efficiency improvements such as external wall improvements and installation of energy efficient boilers.

Financial Statements

Year ended 31st March 2025

The grants are amortised as follows:

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	No.	No.
Amounts falling due:		
In one year or less	1,577	1,466
In five years or more	48,567	43,894
	<hr/>	<hr/>
	50,144	45,360
	<hr/>	<hr/>

16. Debtors: amounts falling due within one year:

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	£'000	£'000
Arrears of rent, water and service charges	951	367
Less: provision for bad and doubtful debts	(396)	(133)
	<hr/>	<hr/>
	555	234
Stock	11	540
Bad Debt Provision - Non-Rent Debtors	(30)	(32)
Recoverable VAT	114	261
Debtors	216	209
Prepayments	1,713	1,203
Capital Grant Due	1,035	370
Holiday Pay Asset	12	5
WHQS / VAT Shelter	0	8,337
	<hr/>	<hr/>
Total debtors due within one year	3,626	11,127

Financial Statements

Year ended 31st March 2025

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

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	£'000	£'000
Leaseholder Debtor	6	6
Pension Bond	1,500	1,500
WHQS / VAT Shelter	0	14,514
Total debtors due after more than one year	1,506	16,020

18. Creditors: amounts falling due within one Year

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	£'000	£'000
Accruals and deferred income	754	640
Capital creditors	284	109
Interest Payable & Similar Charges	572	576
Payroll Creditor	281	40
Rent In Advance	1,046	680
Maintenance and other supplies	386	274
Grants in Advance	2,038	2,565
Housing Loans	(66)	3,327
Holiday Pay Liability	295	305
WHQS / VAT Shelter	0	8,337
	5,590	16,853

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

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Year ended 31st March 2025

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

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	£'000	£'000
Housing Loans	64,303	64,418
WHQS / VAT Shelter	0	14,514
	64,303	78,662
Loans repayable by instalments fall due as follows:		
In one year or less	(66)	3,327
In five years or more	64,303	64,148
	64,237	67,475

Tai Calon refinanced its loan facilities during 2023/24. The facility currently stands at £95 million and is divided between fixed rate and variable rate borrowings.

Fixed Rate Borrowings:

Fixed rate borrowings varied from 1.39% to 4.97% (excluding any margin).

Variable Rate Borrowings:

The variable SONIA rate varied from 4.46% to 5.20% (excluding any margin)

Financial Statements

Year ended 31st March 2025

20. Non-equity share capital

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	£	£
Shares of £1 issued:		
At 1 st April 2024	508	555
Issued during the year	2	3
Cancelled during the year	(5)	(50)
At 31st March 2025	505	508

The shares provide members with the right to vote at general meetings. The shares carry no right to a dividend; there is no provision for the redemption of shares and there is no provision for a distribution following a winding up.

21. Operating leases

At 31st March 2025 Tai Calon had commitments under operating leases as follows:

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	£'000	£'000
Motor vehicle and office equipment expiring:		
Within one year	388	387
Between two and five years	610	774
	998	1,161
Operating lease expensed during the year	459	522

22. Capital commitments

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	£'000	£'000
Capital expenditure contracted but not provided for in the financial statements	13,268	9,457
Capital expenditure authorised by the Board but not contracted	0	0

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

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

In March 2024 Tai Calon became aware that it may not have been fully compliant with potential legal obligations arising under the Renting Homes (Wales) Act 2016 (“the Act”) and the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022 (as amended) (“the Regulations”) at the year ending 31 March 2024. On identification of the issue, immediate steps were taken to ensure compliance with legal obligations as Tai Calon is currently able to understand them. Following legal advice, Tai Calon along with other Registered Social Landlords have issued a claim in the High Court to seek a series of declarations as to the correct meaning and interpretation of the potential obligations. Tai Calon has assessed that the likelihood of an outflow of resources to settle this potential liability following the legal proceedings is less than probable but, acknowledging the inherent uncertainty with such legal proceedings, is more than remote.

A high level of uncertainty remains because the interpretation of the requirements under the Act and Regulations needs clarification which will only be possible following determination of the proceedings that are currently before the High Court, hence any financial effect cannot currently be measured with sufficient reliability at this time. A high level of uncertainty also exists regarding whether there is any possibility of reimbursement. Any such consideration can only follow the resolution of the above matter.

24. Pension costs

Tai Calon participates in the Torfaen County Borough Council (Greater Gwent) pension scheme (LGPS). Further information on the scheme is given below:

Local Government Pension Scheme (LGPS)

Tai Calon Community Housing Ltd participates in the Torfaen County Borough Council (Greater Gwent) pension scheme which is a defined benefit scheme based on final pensionable salary. Certain employees of Tai Calon participated in the scheme prior to the stock transfer taking place and, as such, assets or liabilities attributable to these individuals were identified at the transfer date i.e. 26th July 2010. As part of the transfer agreement, liability for the proportion of the debt attributable to these employees that relates to the pre-transfer period rests with Blaenau Gwent County Borough Council.

The gains and losses recognised by Tai Calon therefore relate solely to the period since transfer. The most recent valuation was carried out at the 31st March 2025. Liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities discounted to their present value. Tai Calon’s contribution rate from 1st April 2024 to 31st March 2025 was 20.5% of members’ contributions due to the closure of the scheme to new entrants. It is projected that employer contributions of £1.467 million will be made for the forthcoming year.

Where a pension scheme shows a surplus, accounting standards require the economic benefit of the asset to be calculated. The amount of the asset being recognised has therefore been restricted to reflect the lower of the scheme surplus or the economic benefit achievable through a refund or from payment of future service contributions to the fund being below future expected Current Service Costs.

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Year ended 31st March 2025

The principal assumptions used by the independent qualified actuaries in updating the latest valuations of the fund for FRS102 purposes were:

Employer membership statistics	Number 31st March 2022	Total Salaries / Pensions £'000 31st March 2022	Average Age 31st March 2022
Actives	179	5,483	50
Deferred Pensioners	103	373	49
Pensioners	109	1,025	64

Deferred pensioners included undecided leavers and frozen refunds. Salaries are actual, not full time equivalent.

Payroll	Assumed total pensionable payroll based on information provided
1 st April 2024 to 31 st March 2025	£5,487,000

LGPS early retirements			
New Early Retirements 1st April 2024 to 31st March 2025	Number	Total Pension Accrued £	Total Pension Actual £
Redundancy	0	0	0
Efficiency	0	0	0
Other	1	9,000	9,000

Investment Returns	
The return of the Fund in market value terms for the period to 31 st March 2025 is based on actual Fund returns as provided by the Administering Authority. Details are given below:	
Actual Returns from 1 st April 2024 to March 2025	4.3%

The major categories of plan assets as a percentage of total plan assets		
Period Ended	31st March 2025	31st March 2024
Equities	73%	74%
Bonds	18%	17%
Property	9%	6%
Cash	0%	3%

Financial Assumptions		
Period Ended	31st March 2025 % p.a.	31st March 2024 % p.a.
Pension Increase Rate (CPI)	2.75%	2.75%
Salary Increase Rate	3.25%	3.25%

Financial Statements

Year ended 31st March 2025

Discount Rate	5.80%	4.85%
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Mortality		
	Male	Female
Current Pensioners	19.1 years	21.9 years
Future Pensioners	20.5 years	24.6 years

Period ended 31st March 2025	Assets (£'000)	Obligations (£'000)	Net (liability) / asset (£'000)
Fair Value of Plan Assets	66,298		66,298
Present Value of funded liabilities		50,627	(50,627)
Effect of the asset ceiling		0	0
Opening Position as of 31st March 2024	66,298	50,627	15,671
Service Cost			
Current service cost		971	(971)
Past service cost (including curtailments)		86	(86)
Total Service Cost	0	1,057	(1,057)
Net Interest			
Interest income on plan assets	3,219		3,219
Interest cost on defined benefit obligation		2,453	(2,453)
Interest on the effect of the asset ceiling			0
Total Net Interest	3,219	2,453	766
Total defined benefit cost recognised in Profit or (Loss)	3,219	3,510	(291)
Cashflows			
Participants' contributions	367	367	0
Employer contributions	1,341		1,341
Benefits paid	(1,467)	(1,467)	0
Expected Closing Position	69,758	53,037	16,721
Remeasurements			
Changes in financial assumptions		(8,605)	8,605
Changes in demographic assumptions		(88)	88
Other experience		(425)	425
Return on assets excluding amounts included in net interest	(370)		(370)
Total remeasurements recognised in Other Comprehensive Income (OCI)	(370)	(9,118)	8,748
Fair value of plan assets	69,388		69,388
Present value of funded liabilities		43,919	(43,919)
Closing Position as of 31st March 2025	69,388	43,919	25,469
Restriction due to Asset Ceiling	(69,388)	(43,919)	(25,469)
Net Closing Position as of 31st March 2025	0	0	0

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Year ended 31st March 2025

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



Get in Touch

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