Tai Calon

Financial Statements

Year ending 31st March 2026

Tai Calon Community Housing Ltd Charity Number: XT 21917 • Company Number: 30950 R • Welsh Government Number: L153

Contents

Board Members & Professional Advisors 3
Strategic Report 4
Corporate Plan 5
Our Performance 2025/26 5
KPI Performance Indicators (KPIs) 7
Customer Satisfaction – we aim to achieve 90% overall customer satisfaction by 2025 8
Assets 11
Development 11
Planned Work Programmes 12
Decarbonisation – The Optimised Retrofit Programme (ORP) 12
Fire Safety 12
Gas Safety 14
Landlord Health and Safety Audit 14
Risk 14
Governance and Internal Control 17
Internal Control 18
Financial Performance 18
Statement of Board Responsibilities 21
Independent auditor's report to the members of Tai Calon Community Housing 23
Financial Statements 26
Notes to the Financial Statements 31

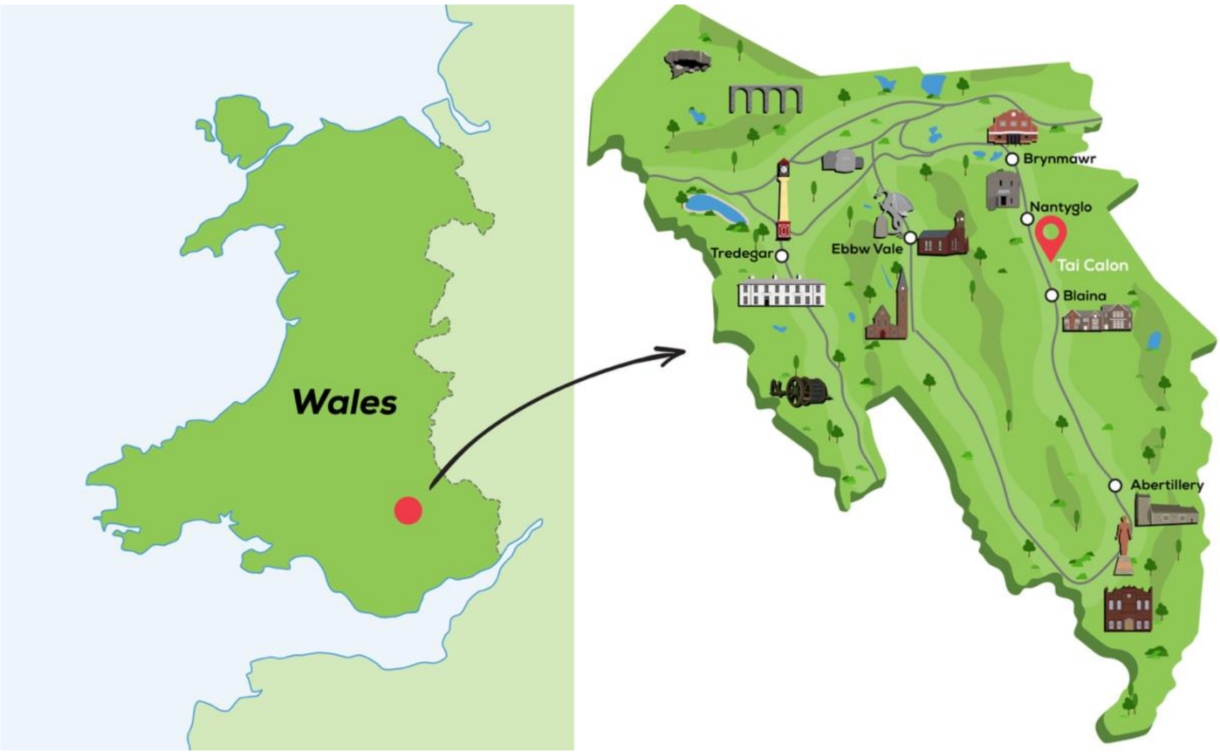
Board Members & Professional Advisors

Customer Board Members	Gemma Badham Shannon Williams Karen Fowkes
Council Board Members	Ellen Jones Jennifer Morgan (Appointed March 2026) Sonia Behr (Resigned January 2026)
Independent Board Members	Prof Sir Adrian Webb – Chair (Resigned September 2025) Julie Thomas - Chair (Appointed Chair September 2025) Mike Santon - Vice Chair Ian Hughes Neil Harries Abhishek Vyas Sian Nicholas
Co-opted Board Members	Peter Nourse (Resigned March 2026) Gavin Sargent
Independent Committee Members	Brian Pickett Lindsay Murphy
Executive Officers	Kevin Bennett – Chief Executive (Resigned May 2025) Richard Hopkins – Director of Assets & Property, Chief Executive (May 2025) Martyn Price – Director of Resources and Company Secretary Andrew Myatt – Director of Communities & Housing Joanne Curtis – Director of People & Culture David Bolton – Interim Director of Assets & Property (May 2025)
Registered Office	Solis One, Rising Sun Industrial Estate, Blaina, NP13 3JW
External Auditors	Bevan Buckland Audit Ltd, Chartered Accountants & Statutory Auditors, Cardigan House Castle Court, Swansea Enterprise Park, Swansea, SA7 9LA
Internal Auditors	HW Controls & Assurance T/A Valid era, Crompton Court, Attwood Road, Burntwood, Staffordshire, WS7 3GG
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 2026.

Background and Socio-Economic Context



Tai Calon is proud to be the largest provider of social housing in Blaenau Gwent, managing nearly 6,000 homes, as well as over 300 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 £287.3 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 20% of Blaenau Gwent households are Tai Calon customers. This compares to roughly 16.5% of the population being social housing customers across Wales, based on the latest available data. The unemployment rate in Wales was 3.6% compared to the UK average of 5.0% while economic inactivity in Wales was 25.4% compared to the UK average of 20.7%.

According to the ASHE provisional 2025 figures, gross average weekly earnings in Blaenau Gwent were £640 compared to the UK's average of £758. Many of Blaenau Gwent's working residents continue to commute outside the borough, which can result in higher travel costs.

Corporate Plan

Tai Calon published its Corporate Plan (2025-2030), just over 15 years since Tai Calon was formed. The 2030 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 2030, over 95% of our customers will be satisfied, or very satisfied, with our overall service.

Culture & Values

Our values guide everything we do.

Creativity - We think differently and look for better ways of doing things.

Authenticity - We are open, honest, and do what we say.

Learning - We are constantly learning and improving.

Ownership - We take responsibility and aim to get things right.

Not on your own - We work together as one team and support each other.

Our Goals for 2025–2030

To achieve our Vision and Mission, we are focusing on seven strategic priorities.
Each of these areas reflects what matters most to our customers, colleagues and communities.

Here's how we plan to make a lasting impact.

- Exemplary Customer Insight
- Dynamic Service Offer
- Real-Time Customer Home Management
- Creating New Homes
- Living the CALON Values
- Doing the Right Thing
- Leading Customer Experience

Our Performance 2025/26

Rent
99.73% Collected
3.04% arrears
Repairs
99.73% Completed to Time
99.03% Appointments Kept
Overall satisfaction with repairs 4.72 (CSAT) 94.35%
Empty Homes
46 empty homes on 31st March 2026
61 days is the average time a home for relet is empty
0.78% income loss whilst homes are empty
Compliance
99.95% gas servicing was completed to time
99.90% of our homes with a valid electrical certificate less than 5 years
100% fire risk inspection - up to date
100% of homes received a scheduled WMS (water management risk assessment)
100% Passenger Lift (inspected by due date)
Customer Engagement
48,909 customer calls answered, 19,170 emails, 1,275 social media queries, and 294 WhatsApp interactions
90.09% customer calls answered on time
467 complaints received – 41 formal and 426 informal (including CSAT scores of 1) • 59% were early resolution • Of the formal complaints, 89% were answered within target
5,198 compliments received

Key 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 2024/25	Tai Calon 2024/25	Tai Calon 2025/26 (Draft)
Management cost per unit (£)	£1,708	£1,653	£1,808
Routine maintenance cost per unit (£)	£2,034	£1,648	£1,539
Major repairs (capital and revenue) cost per unit (£)	£2,235	£2,006	£2,065
Void loss per social housing unit (£)	£105	£42	£43
Arrears per social housing unit (£)	£386	£162	£165
Operating margin (%)	16.0%	23.3%	23.0%
Gearing (%)	29.3%	31.3%	30.6%
EBITDA MRI Interest Rate Cover (%)	79.4%	177.0%	178.8%
Headline social housing cost per unit (£)	£6,640	£5,468	£5,574
Growth in turnover (%)	9.0%	9.6%	5.0%
Growth in operating costs (%)	10.8%	4.5%	5.7%
Growth in total fixed assets (%)	10.3%	4.2%	6.6%
Growth in long term debt (%)	7.1%	-4.8%	3.2%

More information on performance will be available in our ESG & Performance Report 2025–2026, which is due to be published September 2026.

Customer Satisfaction

Our targets for 2030 are:

- 95% satisfaction with day-to-day service delivery (currently measured by Rant & Rave)
- 85% overall satisfaction with Tai Calon as measured by our STAR survey.

Our 2025 STAR Survey gives us a really encouraging snapshot of how tenants feel about Tai Calon. Overall satisfaction remains steady and in line with our last survey, and we're performing at or above the Welsh average in most areas.

What stands out most is the strength of trust and engagement, tenants feel confident in us and value having their say.

STAR Survey at a glance

- 549 responses from tenants (±4% margin of error)
- Carried out between September and December 2025
- A mix of telephone, online and paper surveys
- Results weighted to reflect our full tenant population
- For the first time, tenant segments were used to better understand different needs

What's going well

- **Trust: 84%** – placing us in the top quartile across Wales and holding steady
- **Having a say: 74%** – also top quartile nationally
- **Net Promoter Score: 36** – continuing a strong upward trend

Nearly half of tenants gave us the highest possible recommendation score. That's a strong reflection of the consistent, reliable service teams across Tai Calon deliver every day.

What matters most to tenants

While different groups of tenants have different priorities, one thing is clear; **repairs and maintenance remain the biggest driver of overall satisfaction**.

Other key factors include:

- The quality of the home
- Value for money
- How easy we are to deal with
- Feeling listened to and able to have a say

Put simply, it's about getting the basics right and making sure people feel heard and supported.

Where we need to improve

One area where satisfaction has fallen is how we deal with anti-social behaviour (ASB). This is the only measure showing a significant drop, and it's something we're already taking action on.

Work is underway to review and strengthen our ASB policy and procedures, alongside additional training to support colleagues in responding effectively.

What this means for us

The survey confirms we're heading in the right direction, but it also highlights where we need to keep pushing forward.

Our focus should remain on:

- Delivering timely, high-quality repairs
- Tailoring our services to meet different needs
- Strengthening how we respond to ASB
- Continuing to develop accessible digital services

Most importantly, these results are shaped by the everyday interactions tenants have with us. Every conversation, every repair, every action contributes to how people feel about Tai Calon.

Customer Experience

Over the past 12 months, we received **9,099 pieces of customer feedback** and issued **41,164 requests for feedback**, helping us build a detailed picture of how customers experience our services and the difference our work makes every day.

Our average customer satisfaction score for the year was **4.68 out of 5 (94%)**, reflecting the commitment, care and professionalism shown by colleagues across Tai Calon.

This feedback included responses from **3,159 customers**, providing valuable insight into a wide range of customer experiences across our services and communities.

Importantly, **79% of customers also left written comments** alongside their scores. These comments are incredibly valuable, helping us understand not only the rating itself, but the reasons behind it. They highlight where we are making a positive difference, while also giving honest insight into areas where customers feel we need to improve.

During the year, we also received **503 scores of 1 out of 5**. While these experiences do not reflect the standard we aim to deliver, they provide an important opportunity to listen, learn and improve how we communicate and support customers.

Listening and Improving - Customer Voice Through Complaints

Complaints provide an important channel for understanding customer experience and improving services.

In 2025/26:

- 93% of customers found it easy to make a complaint
- 93% were satisfied with how their complaint was handled
- 71% felt listened to
- 64% were satisfied with the outcome

This shows that while access and process are strong, there is more to do to improve outcomes and overall satisfaction.

What Matters Most to Customers

Customer feedback highlights the issues that most directly impact daily life:

- Communication (34% of complaints)
- Repair delays and timeliness
- Clarity and fairness of policies

These themes often overlap, reinforcing the importance of clear, consistent communication in shaping customer experience.

Understanding Vulnerability and Inclusion

- 1 in 3 formal complaints is from a vulnerable customer
- Key issues for vulnerable customers mirror wider themes: communication and repairs

This insight is helping Tai Calon better understand customer needs and improve how support is tailored, ensuring services remain accessible and inclusive.

Turning Feedback into Better Services

Customer feedback has already led to meaningful improvements, including:

- Faster access to support through a dedicated rent line
- Improved repair quality and follow-up communication
- Enhanced digital access and self-service options
- More personalised support through better customer data

These changes are helping to improve day-to-day experiences and reduce friction in customer journeys.

Building Trust Through Transparency

Customers are more satisfied when they feel heard and engaged. Evidence shows that:

- Direct engagement with colleagues improves satisfaction
- Customers value being kept informed as much as the final outcome
- There is a perception among some customers that complaints are the only way to resolve issues

Addressing this perception is key to building trust and confidence in services.

Looking Ahead

Future improvements will focus on:

- Strengthening communication across all services
- Expanding how vulnerability is identified and supported
- Improving how feedback is captured and acted on
- Ensuring complaints continue to drive visible service improvements

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. The changes to the team have allowed us to draw down more grant funding, secure more materials in advance and plan to spend grant funding earlier in the financial year completing the external works in favourable weather.

With the data team in place we are now working towards having a full Target Energy Pathway in place for each property and they will be completed by Summer 2026. We are also 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. The combination of this data will allow us to overlay our TEPs with our Investment Strategy and develop a clear programme of works for the next 5 Years. We're also developing new policies to streamline our leasehold portfolio and support informed decisions about future investment or disinvestment.

Development

A total of 32 homes have been delivered in previous years, with 39 homes currently on site across Glan-yr-Afon (14), Langner Road (7) and Cwmrhydderch Court (18). 21 homes are scheduled for completion in 2026 and 18 in 2027. A further 140 homes are progressing through the statutory approvals process, strengthening future supply and supporting long-term growth.
A total of 23 existing homes were acquired on the open market and added to Tai Calon's social housing stock for rent.

The programme is underpinned by a five year development programme and a three year pipeline, providing a clear and deliverable approach to increasing housing supply. During the year, £3,625,692 of Social Housing Grant was secured, bringing total grant secured across the programme to £12,160,239.

Development activity focuses on delivering energy-efficient, high-quality homes that meet both current and future housing need. Homes are designed to reduce fuel poverty, improve affordability and support health and wellbeing, while meeting Welsh Housing Quality Standards.

A strong emphasis is placed on placemaking and social value, ensuring newz developments integrate with and enhance existing communities. This includes providing accessible homes, high-quality public spaces and environments that promote safety, connection and long-term resilience.

The programme supports Tai Calon's ambition to deliver 100 homes per year by 2030 and aligns with its vision to create vibrant communities across Blaenau Gwent. Success is measured through resident satisfaction, improved wellbeing, reduced energy costs and positive, lasting community outcomes.

Over the past year, the Active Asset Management Group has reviewed 35 high-cost void homes. Recommending 34 for investment and one for disposal.

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 2026, we will have invested over £162.3 million in homes and local areas.

We are now one year into a five 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 and meet the Welsh Government Target of SAP where possible on a large percentage of our homes.

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

Decarbonisation – The Optimised Retrofit Programme (ORP)

In 2025/26, Tai Calon secured an additional £900,000 in additional Optimised Retrofit Programme (ORP) grant funding, in addition to our initial allocation. This additional grant funding was awarded in September 2025 and February 2026 at a 100% grant rate and was used to deliver additional energy efficiency projects and to purchase materials for delivery in our 2026/27 programmes. The additional funding and Tai Calon budget commitments allow us to continue to make homes more energy efficient, provide healthy internal environments and reduce costs for our customers.

Upgrades included:

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

Additionally, we are exploring the potential for much wider projects to provide Solar PV and Batteries across all our homes, utilising grant funding and private market funding. To this end, we commissioned work to establish the potential for the provision of technology to all of our 6,000 homes. We are leading on this work as part of a Consortium of Welsh Large Scale Voluntary Transfer (LSVT) housing associations.

During 2025/26 we undertook a full restructure of our Assets Team, creating the Assets, Sustainability & Healthy Homes Team. This new structure allows for a far more comprehensive and informed approach to our decarbonisation, energy efficiency and healthy homes ambitions.

Fire Safety

At Tai Calon, fire safety is a critical component of our overall risk management and compliance framework. As a responsible landlord, we are committed to preventing fires and minimising associated risks to residents, colleagues, and visitors across all our homes.

We maintain a proactive approach by ensuring that all relevant colleagues receive regular, role-appropriate fire safety training, supported by clear policies and procedures. Routine inspections and fire risk assessments are carried out across our housing stock and communal areas, with identified actions prioritised and tracked to completion in line with regulatory expectations.

In addition, we actively support residents by providing clear, accessible guidance on fire and general safety. This includes advice on safe behaviours within the home, the importance of maintaining clear escape routes, and how to respond in the event of a fire.

Our fire safety management system is aligned to the principles set out in BS 9997:2019 (Fire Risk Management Systems) and operates in accordance with a continuous improvement model based on the “Plan, Do, Check, Act” cycle. This ensures a structured, risk-based approach to identifying, mitigating, and monitoring fire safety risks.

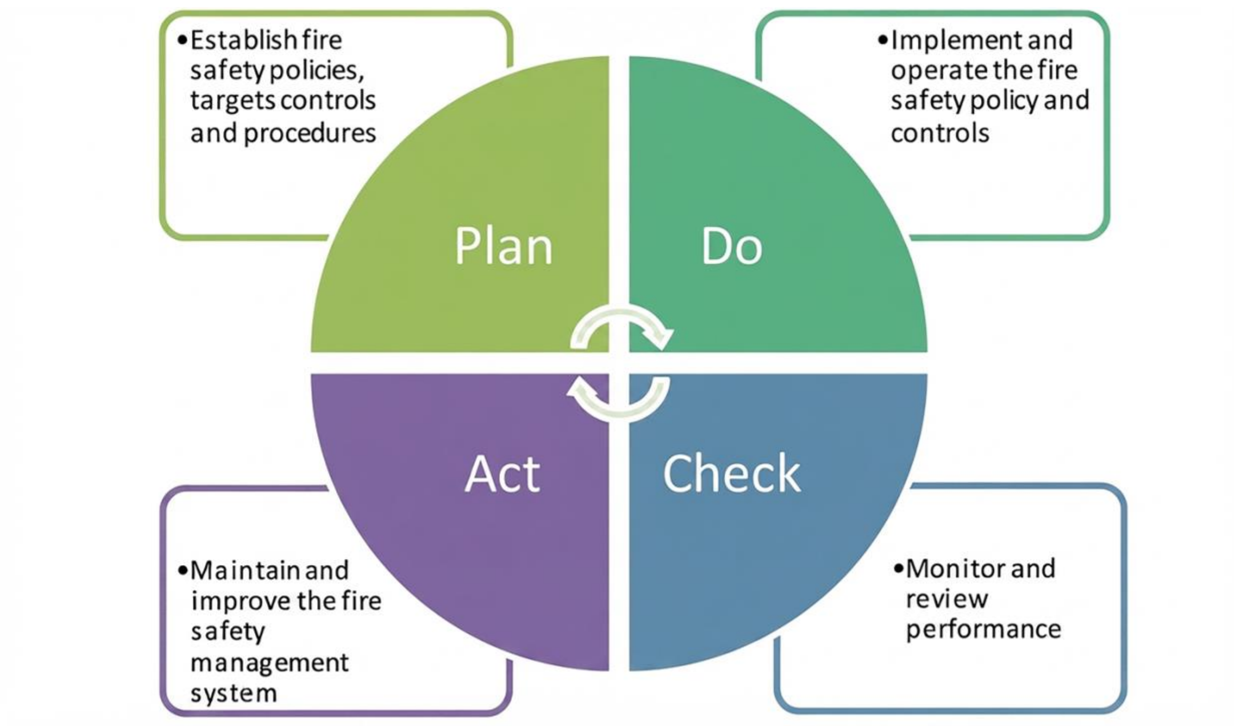
We are committed to maintaining full compliance with all relevant fire safety legislation and regulatory standards, including the Regulatory Reform (Fire Safety) Order 2005 and the Fire Safety Act 2021. We continuously review and strengthen our approach in line with evolving sector guidance, regulatory expectations and forthcoming changes such as the Building Safety (Wales) Bill, ensuring our homes remain safe and our customers well protected.

Performance and compliance in fire safety are subject to robust governance and oversight. Key metrics, including the completion of fire risk assessments, progress against remedial actions, and incident reporting are:

- Reviewed monthly by the Leadership Team
- Reported quarterly to the Health & Safety and Homes Committee
- Reported bi-annually to the Board

This structured reporting framework provides assurance that fire safety risks are being actively managed and that any emerging issues are identified and addressed promptly.

To further strengthen our assurance framework, Tai Calon engages an independent, third-party Fire Safety Consultant and qualified fire risk assessors. These specialists provide expert advice, undertake independent audits, and support ongoing compliance. This external scrutiny ensures that our approach remains aligned with best practice and provides additional assurance to the Board and stakeholders.



Gas Safety

Corgi Technical Serviced Ltd carry out quarterly Gas Safety Audits. The audit report includes benchmarking data from similar organisations across the UK, enabling us to assess our performance against established industry standards. The most recent audit was completed in May 2026.

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.

During the May 2026 audit period, Tai Calon's Gas Safety Team achieved a 100% compliance rate for work quality and 94% for documentation. This places performance above the CORGI national benchmark averages of 93% for work and 92% for documentation, demonstrating continued strong performance and improvement since the previous reporting period.

Landlord Health and Safety Audit

Validera, an independent assurance provider specialising in audit and risk services, completed a Business Assurance Review (BAR) assessing key Property Safety compliance areas. The review concluded that all areas were operating with "Effective" control assurance, meaning testing confirmed controls were consistently applied and no issues were identified within the areas reviewed.

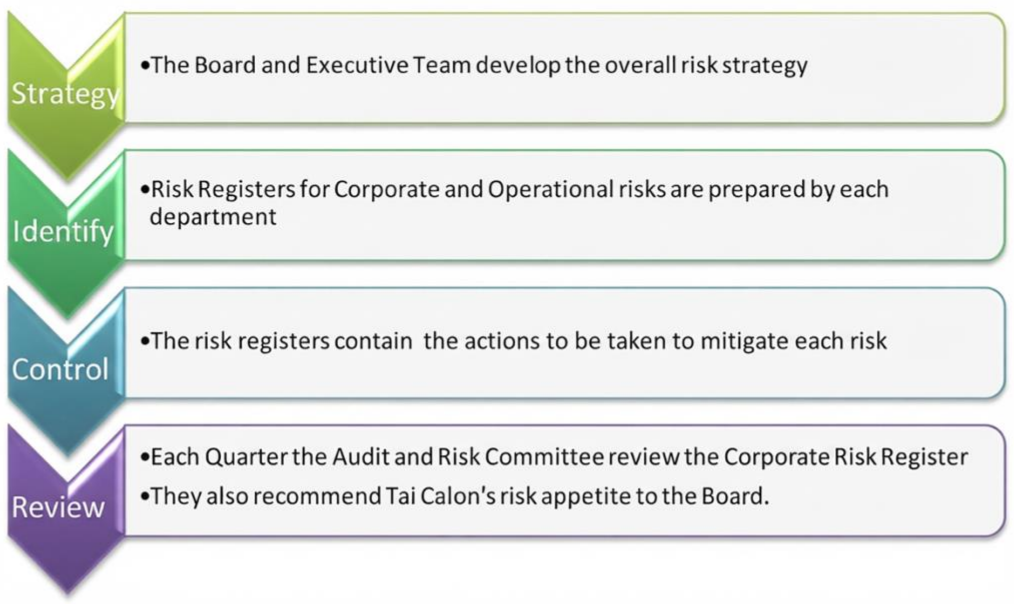
Risk

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.

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 employees, 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
Failure of Governance such that Tai Calon does not comply with regulatory requirements of 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.	Green
Risk of a major 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.	Amber
There is a risk that key financial plans and assumptions, including those related to Rent Policy and welfare reform, are not fit 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	Yellow

		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.	
If we fail to actively listen to and act on customer feedback, we may not meet our overall customer satisfaction target.	**Amber**	Our '*Hearing the Voice of the Customer'* 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).	**Amber**
Risk that Tai Calon fails to deliver 100 new homes per annum by 2030 subject to 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	**Yellow**

		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.	
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 494.

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 2025 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 2025, and efforts continue to develop inclusive policies promoting a fair and diverse workplace.

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 & Strategic Assets Committee: Committee's core purpose is to oversee and monitor the delivery of the Development Strategy and Asset Management Strategy.
- People & Culture Committee: This Committee's core purpose is to oversee and ensure the delivery of the People & Culture Strategy as well as championing our Values and a culture where people feel valued, supported and are empowered to succeed.

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.

Financial Performance

The 2025/26 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 2026, Tai Calon recorded a surplus of £4.125 million, compared with a surplus of £3.238 million in the prior year. The improved financial results reflect increased income levels, including grant funding, together with broadly consistent expenditure, lower borrowing costs, and a continued reduction in pension related adjustments compared with previous years. High inflation and cost of living crisis continue to present significant risks.

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 23, 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 2026; 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.

2025/26 Financial Statement - Results Summary Statement of Comprehensive Income	**For the year ended 31st March 2026**	For the year ended 31st March 2025	**Movement**
	£'000	£'000	**£'000**
Turnover	**38,948**	37,083	**1,865**
Operating Expenditure	**(30,056)**	(28,446)	**(1,610)**
Surplus on disposal of property, plant and equipment	**67**	0	**67**
Operating Surplus / (Deficit)	**8,959**	8,637	**322**
Net Interest	**(4,285)**	(4,349)	**64**
Pension Fund Adjustment	**(549)**	(1,050)	**501**
Net Surplus / (Deficit) on Comprehensive Income for the Year	**4,125**	3,238	**887**

Financial Overview

Turnover has increased by 5.03%, rising from £37.083 million to £38.948 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 £4.563 million.

The operating surplus for the year was £8.959 million, which is £0.322 million higher than in 2024/25.
Net borrowing costs amounted to £4.285 million, slightly lower than the previous year due to lower arrangement fees. Total borrowings at year-end stood at £67.0 million, up from £65.0 million in 2024/25.

As of 31st March 2026, Tai Calon had £28.0 million in unutilised committed funding, available subject to annual covenant compliance. This adds to our liquidity alongside £1.258 million in cash held at the bank. Borrowings include £65.0million at fixed interest rate and £2.0 million at variable rates, maintaining a debt ratio in line with our Treasury Management Strategy. We met all loan covenant requirements, including cash flow, asset cover, and debt per unit.

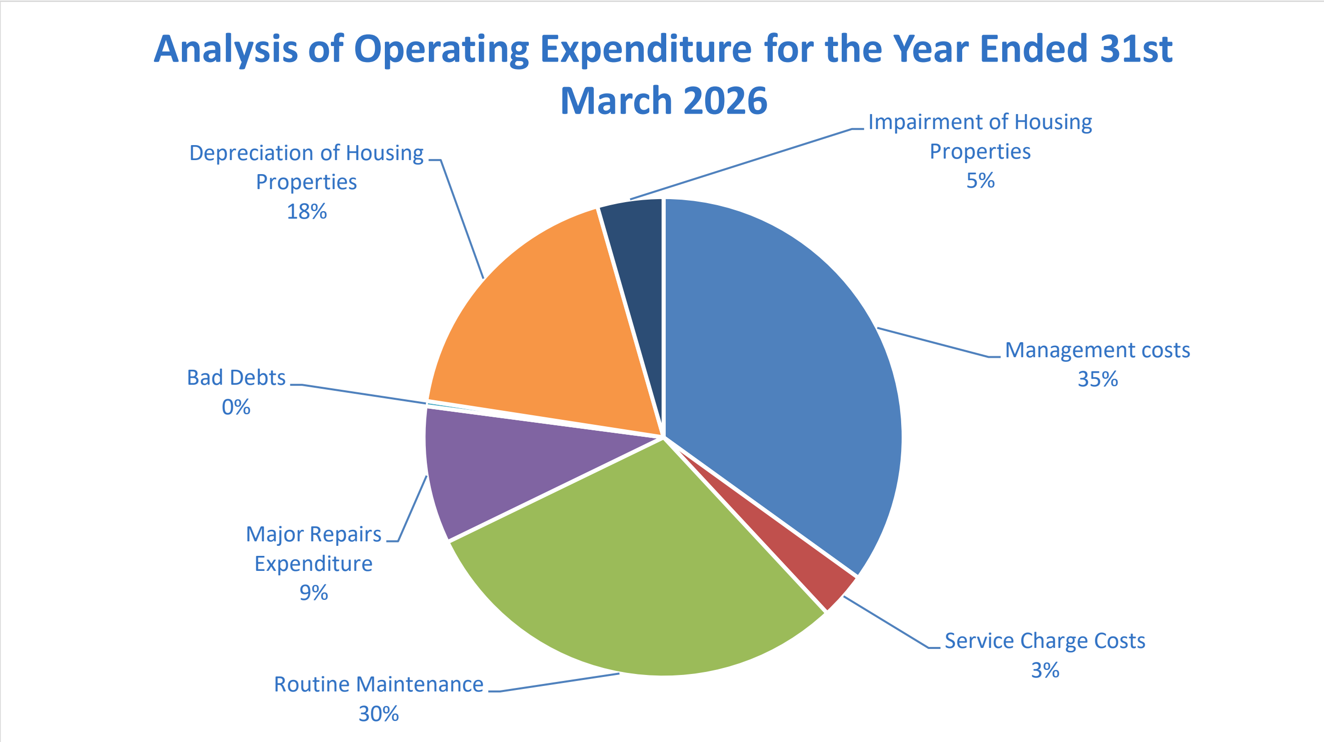
As part of our annual corporate planning cycle, we have set the 2026/27 Budget, refreshed our Medium-Term Financial Plan and updated our 30-Year Business Plan. The plan includes a significant investment in housing improvements, including ongoing decarbonisation, windows, and roofing programmes.

We have secured a £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 increases, welfare reform impacts, levels of void homes 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 2025/26



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 32 to 39) 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.

Disclosure of Information to the Auditor
Each of the Board members at the date of approval of this report has confirmed that:

- As far as the Board members are aware, there is no relevant audit information of which the Association's auditor is unaware; and,
- The Board members have taken all the steps that they ought to have taken as Board members in order to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information

The auditor, Bevan Buckland, previously traded through the legal entity Bevan Buckland LLP, following a restructure and regulatory changes, Bevan Buckland LLP ceased to hold an audit registration with the engagement transitioning to Bevan Buckland Audit Ltd.

A resolution to appoint an independent auditor will be proposed at the Annual General Meeting."

Approved on behalf of the Board by:

Julie Thomas, Chair of the Board

27th July 2026

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 2026, 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 Controls on page 18, 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 Audit Ltd

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

Date: 27th July 2026

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 2026 which comprise the statement of comprehensive income, the statement of changes in reserves, the statement of financial position, the cash flow statement, and its related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- present a true and fair view of the Association's financial position as of 31st March 2026, 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 ESG and Performance 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.

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 2024 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
- 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 Audit Ltd

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

Date: 27th July 2026

Financial Statements

Statement of Comprehensive Income

For the year ended 31st March 2026

	Notes	**For the year ended 31st March 2026**	For the year ended 31st March 2025
		£'000	£'000
Turnover	3	**38,948**	37,083
Operating costs	3	**(30,056)**	(28,446)
Surplus on disposal of property, plant and equipment	6	**67**	0
Operating Surplus		**8,959**	8,637
Interest receivable		**99**	136
Interest payable and similar charges	12	**(4,384)**	(4,485)
Surplus (Deficit) on ordinary activities before taxation		**4,674**	4,288
Taxation		**0**	0
Surplus (Deficit) for the year after tax		**4,674**	4,288
Changes in pension past service deficit contribution liability on revaluation	25	**(549)**	(1,050)
Total Comprehensive income Surplus for the year		**4,125**	3,238

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.

Statement of Changes in Reserve

For the year ended 31st March 2026	Income & Expenditure Reserve £'000	Revaluation Reserve £'000	Total Reserve £'000
At 1st April 2025	(3,127)	44,490	**41,363**
Surplus (Deficit) from Comprehensive Income	4,125	0	**4,125**
Transfer from Revaluation Reserve	333	(333)	**0**
At 31st March 2026	**1,331**	**44,157**	**45,488**

Statement of Financial Position
As at 31st March 2026

	Notes	For the year ended 31st March 2026	For the year ended 31st March 2025
NON-CURRENT ASSETS / FIXED ASSETS		**£'000**	£'000
Property, Plant & Equipment			
Social Housing Homes	13	**162,264**	152,081
Other Property, Plant & Equipment	13	**8**	9
Other Fixed Assets	14	**1,960**	1,971
		164,232	154,061
Current assets			
Debtors			
Amounts falling due within one year	16	**6,423**	3,626
Amounts falling due after one year	17	**1,506**	1,506
Cash at bank and in hand		**1,261**	2,208
		9,190	7,340
Current liabilities			
Creditors: amounts falling due within one year	18	**(12,409)**	(5,590)
Social Housing Grant and Other Grants: amounts falling due within one year	15	**(1,786)**	(1,577)
Net current liabilities		**(5,005)**	173
Total assets less current liabilities		**159,227**	154,234
Creditors: amounts falling due after more than one year	19	**(61,871)**	(64,303)
Social Housing Grant and Other Grants: amounts falling due after one year	15	**(51,867)**	(48,567)
LGPS Pension Fund Asset/(Liability)	25	**0**	0
Total net assets		**45,489**	41,364
Capital and reserves			
Share capital	20	**1**	1
Income & Expenditure Reserve		**1,331**	(3,127)
Revaluation Reserve		**44,157**	44,490
Total capital and reserves		**45,489**	41,364

The financial statements were approved by the Board of Management on 27th July 2026 and signed on its behalf by:

Julie Thomas	M Santon	M Price
Chair	Vice Chair	Secretary

Statement of Cash Flows

For the year ended 31st March 2026

	For the year ended 31st March 2026 £'000	For the year ended 31st March 2025 £'000
Operating Surplus / (Deficit)	**8,959**	8,637
Adjustments for non-cash items		
Depreciation of tangible fixed assets	**5,641**	5,228
Impairment of tangible fixed assets	**345**	1,280
Government grants utilised in the year	**(1,786)**	(1,577)
Working capital movements		
Decrease in debtors	**(2,823)**	21,225
Decrease/ (increase) in operating creditors	**2,320**	(22,384)
(Decrease) / increase in provisions	**25**	261
Decrease in stock	**1**	529
Pension costs less contributions paid	**(549)**	(1,050)
Net cash generated from operating activities	**12,133**	12,149
Interest received	**99**	136
Interest paid	**(4,384)**	(4,485)
Prepaid loan fees	**67**	162
Component Replacement	**(9,312)**	(9,445)
Adjustment for reinvesting in existing activities:		
Purchase of tangible fixed assets	**(131)**	(94)
Free cash generated / (consumed) before loan repayments	**(1,528)**	(1,577)
Repayment of borrowings	**0**	(3,400)
Free cash generated / (consumed) after repayment of borrowings:	**(1,528)**	(4,977)

Cash flow from investing activities	**For the year ended 31st March 2026 £`000**	For the year ended 31st March 2025 £`000
Purchase and development of homes	**(6,807)**	**(3,202)**
Grants received	**5,388**	**6,403**
Cash flow from financing activities		
New secured loans and drawdowns from existing revolving credit facilities	**2,000**	0
Net (decrease) / increase in cash and cash equivalents	**(947)**	(1,776)
Cash and cash equivalents at the beginning of the year	**2,208**	3,984
Cash and cash equivalents at the end of the year	**1,261**	2,208

b. Reconciliation of cash inflow to movement in net debt

	For the year ended 31st March 2026 £`000	For the year ended 31st March 2025 £`000
Increase/(Decrease) in cash and cash equivalents	**(947)**	(1,776)
(Decrease)/Increase in loans	**(2,000)**	3,400
Decrease/(Increase) in net debt	**(2,947)**	1,624
Net debt as of 1st April 2025	**(62,792)**	(64,416)
Net debt at 31st March 2026	**(65,739)**	(62,792)

c. Analysis of net debt	**Cash at bank and in hand £`000**	**Loans £'000**	**Changes in net debt £'000**
At 1st April 2025	**2,208**	(65,000)	(62,792)
Net cash flows	**(947)**	(2,000)	(2,947)
At 31st March 2026	**1,261**	(67,000)	(65,739)

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, as modified by the use of deemed cost for certain housing homes. Housing homes transferred to deemed cost on transition are held at their fair value at that date, which is treated as their deemed historical cost. The revaluation reserve recognised at that point has not been subsequently updated, and no ongoing revaluation policy is applied.

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 rent and service charges receivable (net of rent and service charge losses from voids) and together with revenue grants from local authorities and the Welsh Government amortisation of social housing and other grants and charitable fees and donations. Rent is recognised in line with occupation contracts and lease agreements. Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Housing homes

Housing Homes acquired in 2010 are restated on a deemed historic cost basis for freehold land and buildings. Housing Homes 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 homes 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 Homes - New Developments

The new development of housing homes 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.

Depreciation

Tai Calon depreciates its housing homes 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 the asset is brought into use as follows:

	Houses
New build homes	100 years
Acquisition / refurbishments	100 years

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

Homes 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 homes 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

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 homes 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 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 homes 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 homes 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.

As part of the transfer agreement, Blaenau Gwent County Borough Council transferred the homes 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.

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 homes

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.

3. Turnover, operating costs and deficit

	Year ended 31st March 2026			Year ended 31st March 2025		
	Turnover £'000	**Operating Costs £'000**	**Operating Surplus £'000**	Turnover £'000	Operating Costs £'000	Operating Surplus £'000
Social Housing Lettings						
General needs housing	38,417	29,832	**8,585**	36,391	28,211	**8,180**
Fully rented housing accommodation	**38,417**	**29,832**	**8,585**	**36,391**	**28,211**	**8,180**
Garages	43	0	**43**	43	0	**43**
Other activities	488	224	**264**	649	235	**414**
Total	**38,948**	**30,056**	**8,892**	**37,083**	**28,446**	**8,637**

4. Turnover from lettings

General Needs and Sheltered Housing	**For the year ended 31st March 2026**	For the year ended 31st March 2025
	£'000	£'000
Rents receivable	31,406	30,990
Service charges receivable	505	466
Income for Support Services	157	140
Amortisation of Social Housing Grant & Other Government Grants	1,786	1,577
Other Revenue Grants	4,563	3,218
Turnover from Social Housing Lettings	**38,417**	36,391

5. Operating costs from lettings

	For the year ended 31st March 2026	For the year ended 31st March 2025
	£'000	£'000
General needs housing		
Management costs	**10,614**	9,676
Service Charge Costs	**951**	935
Routine Maintenance	**9,040**	9,648
Major Repairs Expenditure	**2,812**	2,298
Bad Debts	**105**	333
Depreciation of housing homes	**5,506**	5,091
Impairment of housing homes	**1,353**	1,280
LGPS Income & Expenditure Charge	**(549)**	(1,050)
Operating costs on social housing activities	**29,832**	28,211
Operating Surplus on social housing lettings	**8,585**	8,180
Rent losses due to voids (memorandum note)	**250**	244

6. Surplus on disposal of property, plant & equipment

	For the year ended 31st March 2026	For the year ended 31st March 2025
	£'000	£'000
Sale proceeds	**70**	0
Cost of sales	**(3)**	0
Surplus on disposal	**67**	0

Welsh Government decided to cease the Right to Buy in January 2019. Tai Calon have sold one property on the Open Market in the Financial Year ending 31st March 2026.

7. Impairment

Asset component impairments of £1,369,237 and office equipment impairments of £77,040 less associated depreciation of £991,852 and grant impairment of £158,715 less associated amortised grant of £64,199 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 2026	For the year ended 31st March 2025
	£'000	£'000
Operating Surplus for the year is stated after charging:		
Depreciation	**5,641**	5,228
Amortisation	**1,786**	1,577
Operating leases – Other	**435**	454
Bad Debts	**105**	333
Auditor's remuneration (inclusive of VAT):		
in their capacity as auditors	**33**	22

9. Board members and senior executives' emoluments

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

	For the year ended 31st March 2026	For the year ended 31st March 2025
	£'000	£'000
Emoluments (including pension contributions and benefits in kind)*	**726**	539
Emoluments (excluding pension contributions) paid to the highest paid senior executive	**152**	109

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

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

	2026 No.	2025 No.
£nil	**0**	0
£1 - £50,000	**17**	18
£50,001 - £60,000	**0**	2
£60,001 - £70,000	**1**	0
£70,001 - £80,000	**0**	0
£80,001 - £90,000	**0**	0
£90,001 - £100,000	**1**	1
£100,001 - £110,000	**1**	2
£110,001 – £120,000	**2**	0
£120,001 - £130,000	**0**	0
£130,001 - £140,000	**0**	0
£140,001 - £150,000	**0**	0
£150,001 - £160,000	**1**	0

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

	2026 No.	2025 No.
£nil	**0**	0
£1 - £5,000	**9**	8
£5,000 - £10,000	**8**	8

10. Employee and employer costs

	For the year ended 31st March 2026	For the year ended 31st March 2025
	£'000	£'000
Colleagues' costs during the year:		
Wages and Salaries	**10,244**	9,789
Social security costs	**1,294**	944
Other pension costs	**1,234**	611
	12,772	11,344

	For the year ended 31st March 2026	For the year ended 31st March 2025
Average number of full-time equivalent employees during the year:	**No.**	No.
Management and administration	**177**	171
Wardens, caretakers, and cleaners	**7**	8
Housing repair service	**95**	96
	279	275

11. Interests and related party transactions

During the year, Tai Calon provided rented accommodation to three 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.

12. Interest payable and similar charges

	For the year ended 31st March 2026	For the year ended 31st March 2025
	£'000	£'000
Interest payable and similar charges	**4,384**	4,485
	4,384	4,485

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

	Social Housing homes held for letting £'000	Housing homes in the course of construction £`000	Other Property, Plant & Equipment £'000	Total for the year ended 31st March 2025 £'000
Cost				
At 1st April 2025	193,930	3,993	14	197,937
Additions during the year	9,312	6,807	0	**16,119**
Transfer on completion	1,261	(1,261)	0	**0**
Impairments during the year – components	(1,353)	0	0	**(1,353)**
Disposal during the year	0	0	0	**0**
At 31st March 2026	**203,150**	**9,539**	**14**	**212,703**
Depreciation				
At 1st April 2025	45,842	0	5	45,847
Charge for the year	5,505	0	1	**5,506**
Transfer on completion	0	0	0	**0**
Impairments during the year	(922)	0	0	**(922)**
At 31st March 2026	**50,425**	**0**	**6**	**50,431**
Net book value				
At 31st March 2026	**152,725**	**9,539**	**8**	**162,272**
At 1st April 2025	148,088	3,993	9	152,090

Major repairs and investment in existing homes to let during the year amounted to £12.124 million. This has been accounted for as follows:

	For the year ended 31st March 2026 Total £'000	For the year ended 31st March 2025 Total £'000
Freehold Property and Land		
Planned maintenance (revenue)	**2,812**	2,298
Investment (capital)	**9,312**	9,445
	12,124	11,743

Units in Management:	**For the year ended 31st March 2026 No.**	For the year ended 31st March 2025 No.
General needs housing homes in management	**5,872**	5,853
General needs housing homes not in management	**37**	36
Leasehold management services	**321**	333
	6,230	6,222

14. Property, Plant & Equipment – Other Fixed Assets

	Office premises £'000	Vehicles & office equipment £'000	**Total for the year ended 31st March 2026 £'000**
Cost			
At 1st April 2025	3,201	1,514	4,715
Additions during the year	52	79	**131**
Disposals during the year	0	(77)	**(77)**
At 31st March 2026	**3,253**	**1,516**	**4,769**
Depreciation			
At 1st April 2025	1,446	1,298	2,744
Charge for the year	49	86	**135**
Disposal during the year	0	(70)	**(70)**
At 31st March 2026	**1,495**	**1,314**	**2,809**
Net book value			
At 31st March 2026	**1,758**	**202**	**1,960**
At 1st April 2025	1,755	216	1,971

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 31st March 2026 £'000**
At 1st April 2025	53,428	4,495	225	501	58,649
Additions during the year – components	3,814	1,574	0	0	**5,388**
Transfer	416	(416)	0	0	**0**
Impairments during the year – components	0	0	0	0	**0**
Disposal during the year – components	(157)	0	0	0	**(157)**
At 31st March 2026	**57,501**	**5,653**	**225**	**501**	**63,880**
Amortisation					
At 1st April 2025	8,404	0	10	91	8,505
Charge for the year	1,771	0	5	10	**1,786**
Impairments during the year	0	0	0	0	**0**
Disposals during the year	(64)	0	0	0	**(64)**
At 31st March 2026	**10,111**	**0**	**15**	**101**	**10,227**
Net Book Value					
At 31st March 2026	**47,390**	**5,653**	**210**	**400**	**53,653**
At 1st April 2025	45,024	4,495	215	410	50,144

Gap Funding of £4.200 million has been received from the Welsh Government during the year. The full £4.200 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.

Grant additions in the year of £3.814 million are comprised of £3.761 million of ORP grant, £0.034 million for WHQS grant, and £0.019 million for TACP grant.

The grants are amortised as follows:

	For the year ended 31st March 2026	For the year ended 31st March 2025
Amounts falling due:	**No.**	No.
In one year or less	**1,786**	1,577
In five years or more	**51,867**	48,567
	53,653	50,144

16. Debtors: amounts falling due within one year:

	For the year ended 31st March 2026	For the year ended 31st March 2025
	£'000	£'000
Arrears of rent, water and service charges	**967**	951
Less: provision for bad and doubtful debts	**(406)**	(396)
	561	555
Stock	**10**	11
Bad Debt Provision - Non-Rent Debtors	**(45)**	(30)
Recoverable VAT	**34**	114
Debtors	**251**	216
Prepayments	**1,824**	1,713
Capital Grant Due	**3,777**	1,035
Holiday Pay Asset	**11**	12
Total debtors due within one year	**6,423**	3,626

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

	For the year ended 31st March 2026	For the year ended 31st March 2025
	£'000	£'000
Leaseholder Debtor	**6**	6
Pension Bond	**1,500**	1,500
WHQS / VAT Shelter	**0**	0
Total debtors due after more than one year	**1,506**	1,506

18. Creditors: amounts falling due within one Year

	For the year ended 31st March 2026	For the year ended 31st March 2025
	£'000	£'000
Accruals and deferred income	**589**	754
Capital creditors	**58**	284
Interest Payable & Similar Charges	**575**	572
Payroll Creditor	**398**	281
Rent In Advance	**1,201**	1,046
Maintenance and other supplies	**2,317**	386
Grants in Advance	**2,493**	2,038
Housing Loans	**4,433**	(66)
Holiday Pay Liability	**345**	295
	12,409	5,590

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

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

	For the year ended 31st March 2026	For the year ended 31st March 2025
	£'000	£'000
Housing Loans	**61,871**	64,303
WHQS / VAT Shelter	**0**	0
	61,871	64,303

Loans repayable by instalments fall due as follows:

In one year or less	**4,433**	(66)
In five years or more	**61,871**	64,303
	66,304	64,237

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 3.57% to 4.36% (excluding any margin)

20. Non-equity share capital

	For the year ended 31st March 2026	For the year ended 31st March 2025
	£	£
Shares of £1 issued:		
At 1st April 2025	505	508
Issued during the year	**1**	2
Cancelled during the year	**(12)**	(5)
At 31st March 2026	**494**	505

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 2026 Tai Calon had commitments under operating leases as follows:

	For the year ended 31st March 2026	For the year ended 31st March 2025
	£'000	£'000
Motor vehicle and office equipment expiring:		
Within one year	**385**	388
Between two and five years	**385**	610
	770	998
Operating lease expensed during the year	**439**	459

22. Capital commitments

	For the year ended 31st March 2026	For the year ended 31st March 2025
	£'000	£'000
Capital expenditure contracted but not provided for in the financial statements	**10,776**	13,268
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. 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 2026. 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 2025 to 31st March 2026 was 20.5% of members' contributions due to the closure of the scheme to new entrants. It is projected that employer contributions of £849,000 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.

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 2025	Total Salaries / Pensions £'000 31st March 2025	Average Age 31st March 2025
Actives	138	5,139	53
Deferred Pensioners	88	414	53
Pensioners	154	1,616	65

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

Payroll	Assumed total pensionable payroll based on information provided
1st April 2025 to 31st March 2026	**£5,116,000**

LGPS early retirements			
New Early Retirements 1st April 2025 to 31st March 2026	**Number**	**Total Pension Accrued £**	**Total Pension Actual £**
Redundancy	0	0	0
Efficiency	0	0	0
Other	1	30,000	30,000

Investment Returns	
The return of the Fund in market value terms for the period to 31st March 2026 is based on actual Fund returns as provided by the Administering Authority. Details are given below:	
Actual Returns from 1st April 2025 to 31st March 2026	14.1%

The major categories of plan assets as a percentage of total plan assets		
Period Ended	**31st March 2026**	**31st March 2025**
Equities	74%	73%
Bonds	16%	18%
Property	10%	9%
Cash	0%	0%

Financial Assumptions		
Period Ended	**31st March 2026 % p.a.**	**31st March 2025 % p.a.**
Pension Increase Rate (CPI)	3.00%	2.75%
Salary Increase Rate	3.70%	3.25%
Discount Rate	6.20%	5.80%

Mortality		
	Male	**Female**
Current Pensioners	19.3 years	22.7 years
Future Pensioners	21.0 years	25.1 years

Period ended 31st March 2026	Assets (£'000)	Obligations (£'000)	Net (liability) / asset (£'000)
Fair Value of Plan Assets	69,388		69,388
Present Value of funded liabilities		43,919	(43,919)
Effect of the asset ceiling			(25,469)
Opening Position as of 31st March 2025	**69,388**	**43,919**	**0**
Service Cost			
Current service cost		650	(650)
Past service cost (including curtailments)		208	(208)
Total Service Cost	**0**	**858**	**(858)**
Net Interest			
Interest income on plan assets	4,022		4,022
Interest cost on defined benefit obligation		2,530	(2,530)
Interest on the effect of the asset ceiling			(1,476)
Total Net Interest	**4,022**	**2,530**	**16**
Total defined benefit cost recognised in Profit or (Loss)	**4,022**	**3,388**	**(842)**
Cashflows			
Participants' contributions	343	343	0
Employer contributions	1,391		1,391
Benefits paid	(1,813)	(1,813)	0
Expected Closing Position	**73,331**	**45,837**	**549**
Remeasurements			
Changes in financial assumptions		(1,049)	1,049
Changes in demographic assumptions		(1,513)	1,513
Other experience	(2,703)	4,270	(6,973)
Return on assets excluding amounts included in net interest	5,725		5,725
Changes in the effect of the asset ceiling			(1,863)
Total remeasurements recognised in Other Comprehensive Income (OCI)	**3,022**	**1,708**	**(549)**
Fair value of plan assets	76,353		76,353
Present value of funded obligations		47,545	(47,545)
Effect of the asset ceiling			(28,808)
Closing Position as of 31st March 2026	**76,353**	**47,545**	**0**

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)
Changes in the effect of the asset ceiling			(25,469)
Total remeasurements recognised in Other Comprehensive Income (OCI)	**(370)**	**(9,118)**	**(16,721)**
Fair value of plan assets	69,388		69,388
Present value of funded liabilities		43,919	(43,919)
Effect of the asset ceiling			(25,469)
Closing Position as of 31st March 2025	**69,388**	**43,919**	**0**

Get in Touch

You can visit or write to us at:

Tai Calon Community Housing
Solis One, Rising Sun Industrial Estate
Blaina, Blaenau Gwent
NP13 3JW

Email: talktous@taicalon.org
Website: www.taicalon.org

Need this information in a different format?

If you would like this report in another language or format, please get in touch with our Customer Services team:

Phone: 0300 303 1717
Email: talktous@taicalon.org