

Great Homes & Places

2025 - 2026



Annual Report & Consolidated Financial Statements

For the year ended 31st March 2026



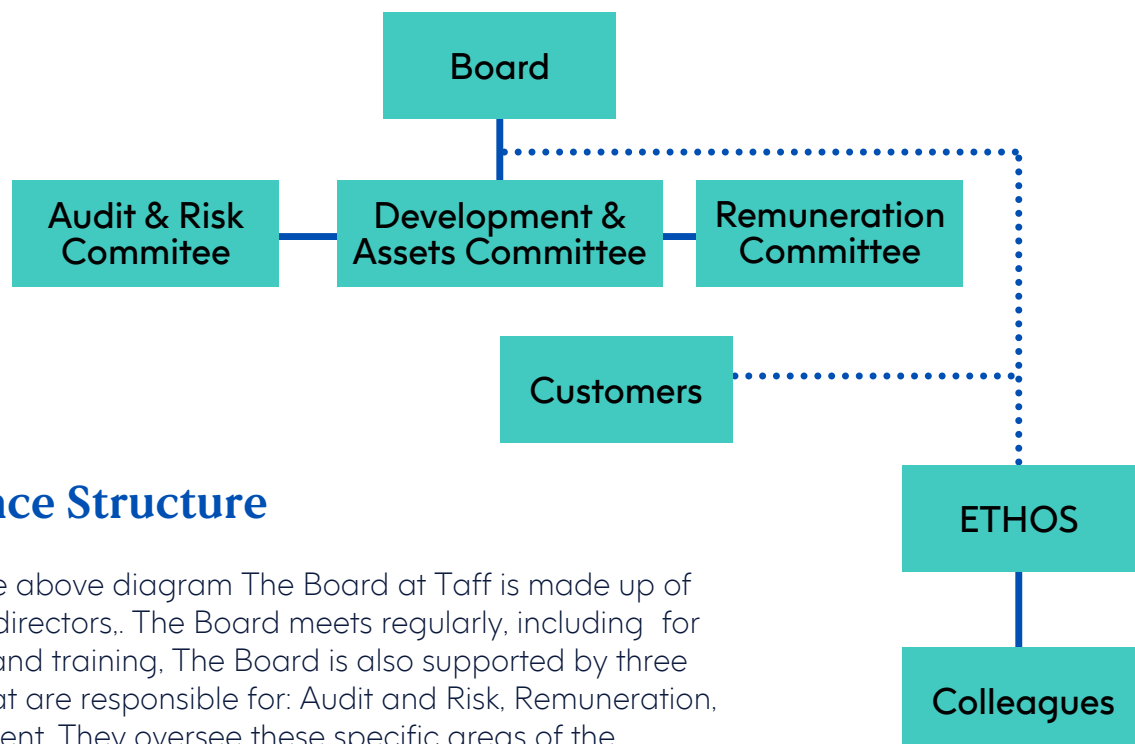
TAFF

Performance & Resources: Commitment to good governance

To be well-governed is a key commitment in our strategic plan. To ensure this the Association applies the Community Housing Cymru Code of Governance undertakes an annual appraisal of compliance with the Regulatory Framework for housing associations registered in Wales. The Association considers it is fully compliant in all material aspects. We use all reasonable endeavours to ensure compliance with all relevant laws. Our procedures are designed to comply and meet statutory guidance within areas such as landlord health and safety.

Taff has consistently achieved and maintained the highest regulatory judgment standards for Governance, including tenant services, and Financial Viability, which we were delighted to maintain in the most recent review which was published by Welsh Government in January 2026.

Taff has effective and robust governance arrangements in place that enable us to successfully deliver our Strategic Plan and improve our services to tenants and service users. To support our continuous improvement an independent Governance review was carried out to provide a Third line of assurance, no key concerns were raised, and a number of strengths were identified, however we are implementing some recommendations around board structure, size and tenant influence. We have robust financial planning and treasury management procedures in place to ensure that we remain viable and that our assets are not put at risk.



Governance Structure

As shown in the above diagram The Board at Taff is made up of non executive directors. The Board meets regularly, including for strategy days and training, The Board is also supported by three committees that are responsible for: Audit and Risk, Remuneration, and Development. They oversee these specific areas of the organisation's work with scope and responsibilities for each set out in approved terms of reference. The Board are remunerated in accordance with regulatory requirements.

The Board of Management

Name	Profession	Appointed in Year	Resigned in Year
Peter Curran	Accountant	Elected AGM 2022 Chair of Board (July 2025)	
Hiten Patel	Risk, Finance, Regulation, Strategy	Elected AGM 2025 Chair of Audit and Risk Committee (July 2026)	
Andrew Bateson	Housing & Construction	Co-opted Nov 2022 Elected AGM 2023 Chair Development & Assets Committee (Nov 2023)	
Graeme Tipple	Finance / Banking	Co-opted March 2020 Elected AGM 2022 Chair Remuneration Committee (March 2025)	
Christopher John	Risk Management	Co-opted March 2020 Elected AGM 2020	
Naomi Mitcheson	Housing	Co-opted Sept 2023 Elected AGM 2025 Vice Chair of Board (July 2025)	
Jason Smith	Health & Social Care	Elected AGM 2021	
Tarig Sanousi	Tenant	Co-opted February 2021 Elected AGM 2021	
Kirsty Palmer	Leadership Consultant	Elected AGM 2025	
Naomi Williams	Public Affairs Professional	Elected AGM 2025	
Joe Stockley	Project Management	Trainee (January 2024)	
Gabriella Spiteri	Legal	Trainee (July 2025)	
Andrew Knight	HR	Elected AGM 2016 Chair (September 2020 – July 2025)	Resigned July 2025
Susan Hamilton	Public Health & Local Government	Elected AGM 2022 Vice Chair	Resigned July 2025
Yvonne Conolly	Supported Housing	Elected AGM 2021	Resigned July 2025
Tracey Carter	Local Government	Co-opted July 2021	Resigned July 2025
Stewart Davison	Digital Consultant	Co-opted Nov 2023	Resigned July 2025
Princess Onyeanusi	Marketing, EDI Advocate	Co-opted Nov 2023	Resigned July 2025

Welcome to our new Board Members

In 2025 we appointed a new Chair and 3 new board members.

This year we welcomed new leadership to our Board. Peter Curran, a valued Board member and Chair of our Audit and Risk Committee, was appointed as our new Chair, succeeding Andrew Knight.

We also welcomed Hiten Patel, Naomi Williams, and Kirsty Palmer, who each bring a wealth of experience across governance, public affairs, and community leadership.

Hiten Patel joins us with over 20 years' experience in social housing, governance, and risk management. Naomi Williams brings deep knowledge of Welsh politics and public affairs, while Kirsty Palmer offers over two decades of leadership in charities and higher education, with a strong commitment to equity and opportunity.



Peter Curran



Hiten Patel



Kirsty Palmer



Naomi Williams

Their combined skills and perspectives will help us deliver on our ambitions for Taff and the communities we serve. We are excited for the future with their guidance and commitment. We extend our thanks to our outgoing Board members for their dedication and lasting impact.

Committee Membership

Audit and Risk Committee	Development and Asset Committee	Remuneration Committee
Hiten Patel (Chair)	Andrew Bateson (Chair)	Graeme Tipple (Chair)
Naomi Mitcheson	Kirsty Palmer	Tarig Sanousi
Chris John	Naomi Mitcheson	Jason Smith
Naomi Williams	Chris John	Kirsty Palmer
Graeme Tipple		Andrew Bateson

The Executive Team

Name	Profession	Appointed in Year	Resigned in Year
Joshua Dowdall	Chief Executive (Exec Director People and Places)	Appointed January 2026 Appointed January 2020 to Jan 2026	
Helen White	Chief Executive	Appointed August 2019	January 2026
Caroline Lawley	Executive Director, Business & Finance Company Secretary	Appointed January 2024 Appointed January 2024	
David Pettitt	Executive Director, People & Places	Appointed January 2026	



Joshua Dowdall



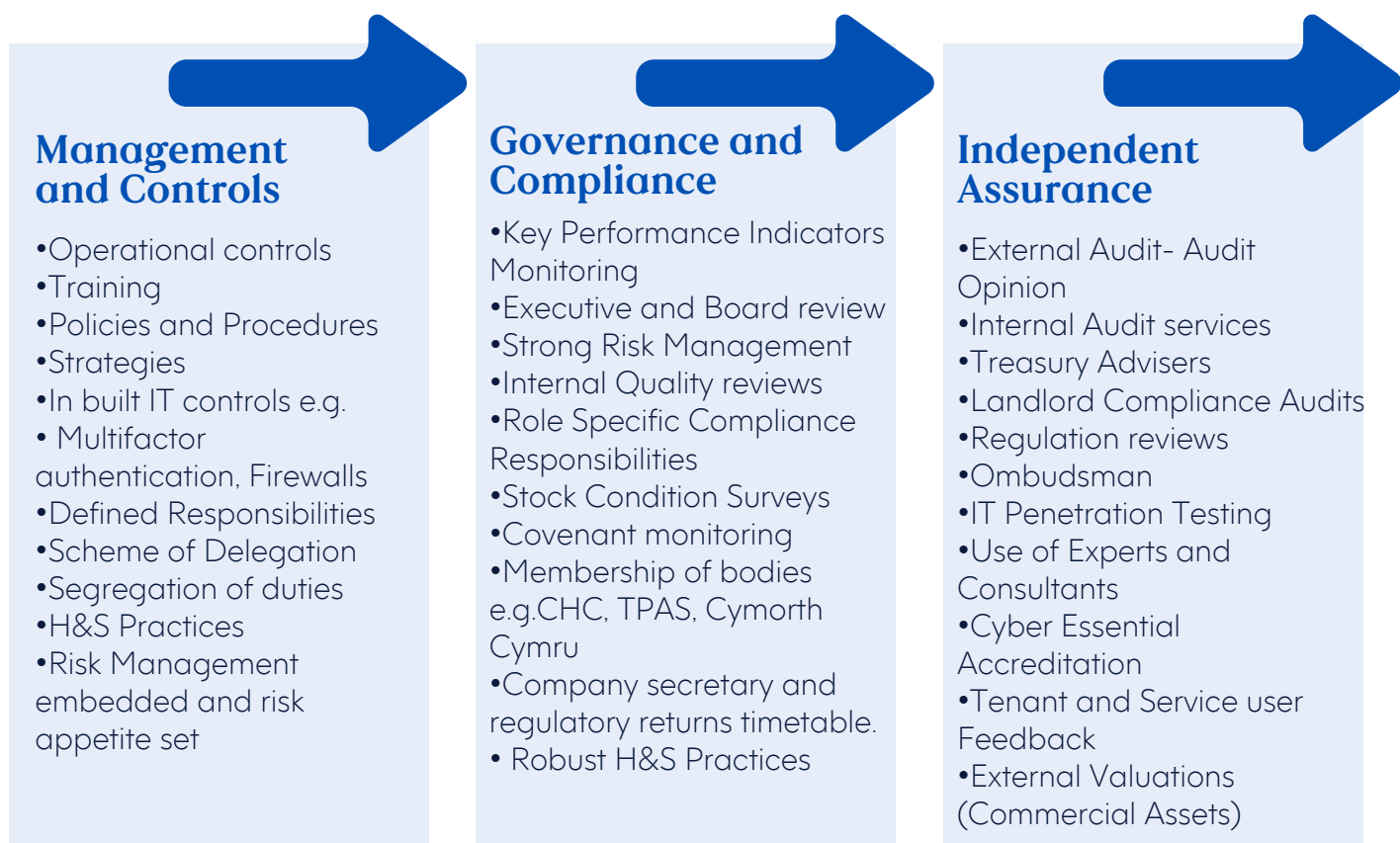
Caroline Lawley



David Pettitt

Internal Controls

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. We operate three lines of defence approach to the Internal controls' environment, which is designed to minimise, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss.



Key elements of control include:

- Board approved terms of reference and delegated authorities for all Committees
- clearly defined responsibilities for the identification, evaluation and control of significant risks
- robust strategic and business planning processes supported by stress testing
- quarterly review of the Association's risk registers by the Audit and Risk Committee
- detailed financial budgets and forecasts for the current year
- Treasury Strategy supported by strong treasury management that is reviewed annually
- formal recruitment, retention, training and development policies for colleagues and the Board
- established authorisation and appraisal procedures for significant new initiatives and commitments
- Board approved Integrity at Work and Prevention of Fraud, Bribery and Money Laundering Policies
- Fraud and, Gifts and Hospitality Registers in place
- Annual self-evaluation against the Regulatory Framework
- Internal Audit programme set and monitored by Audit & Risk Committee linked to our Strategic risks


Risk Management

- A Business Assurance Framework has been developed and progress throughout has been shared with ARC. We have used the Risk Module on the oneAdvanced Portal to hold this information as a live tool to support the business.
- Our Risk management operates under a three lines of defence model as shown above and this is held within the oneAdvanced Risk Management system.
- Further work on the Risk Appetite to support in developing the key controls has been conducted and the Risk Appetite Statement for each Strategic Risk was approved by Board in February 2026. This information is used to support decision making and to develop strategies.
- Board reviewed the Risk Register alongside the Sector Risk profile and operating environment Horizon Scan in June 2025. and Audit and Risk committee looked at a refreshed Horizon Scan in March 2026.
- Annual stress testing of the 30 Year Business Plan is carried out aligned to the Strategic Risk Register, and results are compared to the Boards risk appetite.
- Risk mitigation and Critical Incident plans are in place.
- Financial Risks are managed through the setting of a set of internal Golden Rules which act as warning triggers for performance to be monitored against and provide a level of headroom to funder and regulatory compliance levels.

The top 3 Strategic Risks on the Risk Register at the 31/03/2026 were;



S6 - Failure to protect the organisation's data



S7 - Failure to keep colleagues, customers and general public safe



S12 - Failure in the quality of the organisation's data

Internal Audit Performance

In the year we welcomed new Internal auditors who have taken a fresh approach providing us with new insights. 3 Internal Audits took place in the year, Positively 2 Received Substantial Assurance and 1 received reasonable assurance, with no High priority recommendations received across the 3 audits. Overall implementation rates did drop in the year as a result of the transition, but this is as matter of timing and rates of implementation will return to normal levels in 2026/27.

2x Substantial assurance

1x Reasonable assurance

Metric	2025/26	2024/25	2023/24	2022/23	Direction of travel
Number of Recommendations	24	15	19	33	↑
Implementation Rate	65%*	97%	94%	85%	↓

*Decrease impacted by 3 actions slipping into 2026/27

Key Financial Performance

The financial result for 2026 was a surplus of £1,042K (2025: £1,063K) before re-measurement gain of the pension liability resulting in Total Comprehensive Income of £1,140K (2025: £1,316K). Our Operating Surplus was £2,774K (2025: £2,343K). Our margin on Operational Surplus for the year increased to 16.9% (2025 14.6%). The outturn was close to budget showing good financial controls.

Treasury performance has been strong and the Association has maintained a good cash position throughout the year, and has negotiated a further new long-term facility of £5M with Welsh government. Net borrowings increased by £2,059K in year with an average interest rate of 3.42%.

Capital and Reserves have increased by £1,140 (2025: £1,316K) and are now £19,391K (2025: £18,251K). The Association's Net Cash Inflow from operating activities in the year was £2,630K (2025: £3,626K). Free cash out flow after loan repayments was (£4,237K) (2025 (£3,445K)) This figure fluctuated with refinancing as a long-term loan was repaid in the period to simplify our debt portfolio.

Taff's strictest loan covenant limits are 130% for Interest Cover and 55% for Historical Cost Gearing (NBV). The Board are satisfied that the Association has remained compliant with all financial covenants.

The Association's turnover increased on the previous year to £16,457K (2025: £16,048K) driven by the annual regulated rental increase and new support contracts.

Investment in new and existing Taff properties was £12,119K in the year (2025: £4,288K), including capitalised expenditure on maintenance of £2,493K (2025: £2,492K). This includes the on-going costs required to continue to maintain our homes to Welsh Housing Quality Standard and for landlord safety compliance. Taff has successfully applied for and received grants to develop new homes and invest in decarbonisation works (Social housing grant £133K and Decarbonisation Grant £1,278K)

Interest and financing costs were £2,108K (2025: £1,937K) interest rate rises have been mitigated with over 99% of our loans at fixed rates.

Golden Rule Performance Financial Performance Measures in 2025/26

	Actual Performance	Golden Rule	Direction of Travel
EBITDA	225%	>130%	Reduced ↓
EBITDA MRI (5 Year Ave)	131%	100% (5 Year Ave')	Stable ↔
Gearing	39%	<60%	Stable ↔
Liquidity Medium Term	60 Months	>18 Months	Stable ↔
Treasury-Fixed Rate Borrowing	99%	>70%	Stable ↔

Value for Money statement

Making the most of every pound we spend is central to how we deliver services and invest in homes.

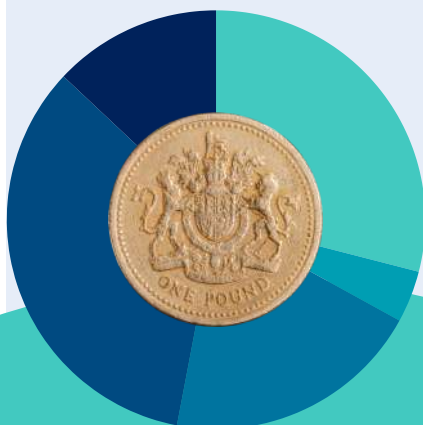
At a time of rising costs and increasing demand, we continue to focus on delivering strong outcomes for residents while ensuring resources are used effectively.

Our approach to value for money

We are now two years into delivering our Value for Money Strategy 2024-27, which is guided by five principles:

- We listen to tenants and focus on what matters to them
- We make the best use of our resources to achieve our objectives
- When we buy any works, goods, or services, we get the best deal possible in terms of quality, price, and community benefit
- We balance both the social and business aspects of our work
- We know how our costs compare to others

We measure our outcomes through the four E's of value for money; Economy, Efficiency, Effectiveness, and Equity. This approach helps us ensure we are spending wisely, balancing risk and long-term financial sustainability, and making decisions that benefit both our customers and the organisation as a whole.



Equity

The extent to which services are available and reach all people for whom they are intended. We need to demonstrate services and benefits are distributed equally.

This is about spending fairly.

Effectiveness

The extent to which we have delivered what we set out to do. We must be able to demonstrate we have achieved the intended results (outcome) in relation to the cost of what we have put in.

This is about spending wisely.

Efficiency

Ensuring that we and our customers get a good return on the money and resources we invest in our services. We must be able to show the value of what have invested.

This is about spending well.

Economy

Delivering our services on budget, on time and within other constraints. We must be able to demonstrate we have procured services and resources (inputs) at the lowest possible cost without harming quality.

This is about spending less for the required quality.

What have we achieved so far?

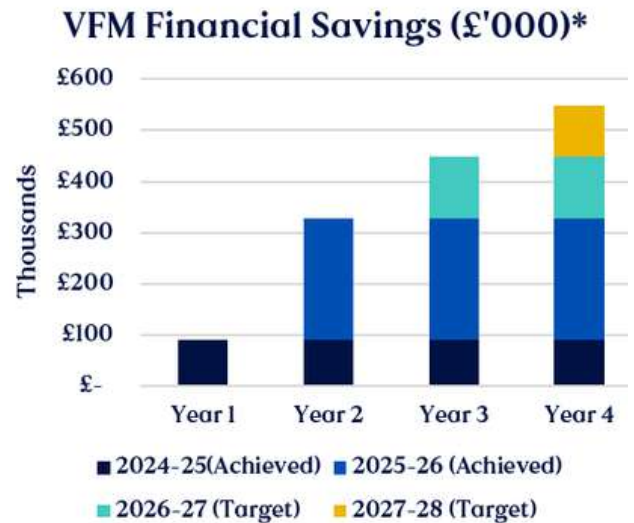
Over the first two years of the strategy, we have delivered £330,000 in financial savings, supporting the effective delivery of services and demonstrating our economy principle.

In this financial year, we achieved £238,000 in recurrent savings against a target of £240,000, mainly by rationalising systems and reducing overhead costs, including energy contracts. An additional £70,000 in one-off savings was achieved by delivering more activities in-house, rather than using consultants or agencies. Looking ahead, identified savings for 2026/27 focus on further improving management cost per unit and starting to bring down repairs costs per unit.

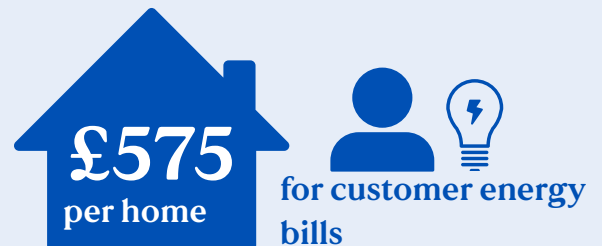
Grant funding continues to play a vital role in delivering more for our customers. This year, we secured £875,000 of Optimised Retrofit (ORP) Welsh Government funding for energy improvement works and accessed £1.1 million in Transitional Accommodation grant funding to increase the number of good, quality affordable homes and help reduce homelessness. We also accessed a second tranche of Welsh Government Acquisition loans, with £5 million of low-rate funding enabling us to acquire 24 homes without using Social Housing Grant; a new value for money approach that balances social and business priorities.

Efficiency gains have included Solar energy systems installed through ORP grant funding are helping to reduce tenants' energy costs and ease cost of living pressures. Design estimates indicative average savings of around £575 per home each year, equating to £47,165 annually for installations in 2025-26. Early case studies across two homes show both financial savings and high levels of tenant satisfaction with the systems.

Through targeted approach, our community inclusion team has supported 150 tenants in the year with £164k secured in financial gains. This has a huge impact at a time when costs remain high making sure financial support reaches those it is intended to help.



Savings of around



£47,165 annually

Measuring Value for Money

We benchmark our performance using the Community Housing Cymru (CHC) global accounts and Housemark data, comparing our financial metrics to the sector. Over the last 12 months, we have focused on improving management cost per social housing unit, operating margin, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), adjusted to include Major Repairs (MRI). This has allowed us to increase our financial capacity to deliver home improvements more quickly. The impact of these changes is to increase financial capacity to deliver our home improvement programme more quickly.

Looking forward, our focus is on using data to understand why Repairs cost per Social Housing Unit is higher than the sector, so that we can plan how to improve it. We also aim to improve customer satisfaction with service charge value for money over the next two years.

The table below shows some of the key financial and operational metrics we track, along with whether Taff's direction of travel over the past year has been positive or negative. This helps us monitor our progress and identify areas for further improvement.

Financial metric	2024/25	Welsh Average	2023 / 24	Direction
Operating Margin (%)	15%	16%	13%	↑
Gearing (%)	28%	29%	27%	↑
EBITDA MRI Interest Cover (%)	126%	109%	120%	↑
Average Interest Rate (%)	3.41%	4.14%	3.85%	↑
Headline Social Housing CPU (£)	£8,302	£6,638	£7,066	↓
Management Cost per SH Unit (£)	£1,698	£1,707	£1,718	↑
Void Loss per SH Unit (£)	£55	£105	£66	↑
Routine Maintenance Cost per SH Unit (£)	£2,683	£2,034	£2,533	↓
Major Repairs Cost per SH Unit (£)	£2,028	£2,235	£1,087	↑
Arrears per SH Unit (£)	£436*	£386	£388	↓
Free Cash Flow (After Loan Repayments £k)	£2,113k	-£2,624k	£380k	↑
Social Housing	1,554	4,422	1,493	↑

*Timing issue – the arrears per social housing unit figure is affected by the timing of income or arrears recorded during the year.

Statement of Board's Responsibilities

The Board is responsible for the preparation of the financial statements in accordance with applicable law and the Statement of Recommended Practice for registered housing associations.

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

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK accounting standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on a 'going concern' basis unless it is appropriate to presume that the Association will not continue in business.

The Board is responsible for keeping proper books and records which disclose with reasonable accuracy at any time the financial position of the Association and to ensure that the financial statements comply with Co-operative and Community Benefit Societies Acts.

The Board is also responsible for maintaining an adequate system of internal control and safeguarding the assets of the Association and hence for taking steps for prevention and detection of fraud and other irregularities.

Disclosure of Information to the Auditors

As far as the Board is aware:

- There is no relevant audit information of which the Association's auditors are unaware; and
- The Board have taken all reasonable steps that they ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

A resolution to reappoint Menzies as auditor will be proposed at the Annual General meeting on 16th July 2026.

By Order of the Board

Caroline Lawley
Company Secretary

25th June 2026

Principal Activities

The Associations principal activities are the management and development of social housing across Cardiff and providing support services across South Wales. We are a Co-Operative and Community Benefit Society registered with charitable rules and regulated by the Welsh Government.

Registered Office

Alexandra House, 307-315 Cowbridge Road East, Cardiff CF5 1JD

Registration Status

Registered under the Co-operative and Community Benefits Act 2014 No. 21408R

Taff Housing Association has adopted charitable rules.

Registered by The Welsh Government No. L009

Principal Advisors

Bankers and lenders

Barclays Bank PLC
The Housing Finance Corporation Ltd (THFC)
M&G

Nationwide Building Society
Principality Building Society
Welsh Government

Auditors

Menzies LLP London
4th Floor
95 Gresham Street
London
EC2V 7A

Internal auditors

Bishop Fleming
Brook House
Manor Drive
Exeter
EX5 1GD

Treasury Advisors

Savills
33 Margaret Street
London
W1G 0JD

Solicitors

Hugh James Solicitors
Blake Morgan
Clarke Willmott

Independent Auditor's Report to the Members of Taff Housing Association Limited

For the year ended 31 March 2026

Opinion

We have audited the financial statements of Taff Housing Association Limited (the Association) for the year ended 31 March 2026 which comprise the Association's Statement of Comprehensive Income, the Association's Statement of Changes in Reserves, the Association's Statement of Financial Position, the Association's Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- **give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of the Association's surplus for the year then ended;**
- **have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;**
- **have been prepared in accordance 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 General Determination (Wales) 2015.**

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The Board is responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

We have reviewed the Board's statement on the Association's compliance with the Welsh Government circular RSL 02/10 'Internal controls and reporting'. We are not required to express an opinion on the effectiveness of the Association's system of internal control.

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.

Opinion on other matters prescribed by the Welsh Government circular RSL 02/10 'Internal controls and reporting'

In our opinion, based on the work undertaken in the course of the audit with respect to the Board's statement on internal control:

- the Board has provided the disclosures required by the Welsh Government circular RSL 02/10 'Internal controls and reporting'; and
- the statement is not inconsistent with the information of which we are aware from our audit work on the financial statements.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on page 7, 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 determines 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 is 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 intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard.

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.

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.

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

- We obtained an understanding of laws and regulations that affect the group and parent association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the group's activities and the regulated nature of the Association's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly

planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of the audit report

This report is made solely to the members of the Association as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. 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.

Menzies LLP London

4th Floor

95 Gresham Street

The Association's results relate wholly to continuing activities. The accompanying notes form part of the financial statements that were authorised and approved by the Board on **25th June 2026.**

Statement of Comprehensive Income

For year ended 31 March 2026

	Notes	2026	2025
		£000	£000
Turnover	3	16,457	16,048
Operating costs	3	(13,683)	(13,705)
Operating surplus	9	2,774	2,343
Surplus on Disposal of Fixed Assets	8	9	136
Operating Surplus before Finance Costs	9	2,783	2,479
Interest receivable		412	501
Interest and financing costs	7	(2,108)	(1,937)
Movement in fair value of investments		(45)	20
Surplus for the year		1,042	1,063
Other Comprehensive income			
Actuarial gain in respect of pension scheme	25	98	253
Total Comprehensive income for the year		1,140	1,316

The financial statements were approved by the Board on **25th June 2026** and signed on its behalf by:

Peter Curran
Chair

Hiten Patel
Audit & Risk Committee Chair

Caroline Lowley
Secretary

Statement of Changes to Reserves

For year ended 31 March 2026

	Restricted Reserves	Revenue Reserve	Total	Restricted Reserves	Revenue Reserve	Total
	£000	£000	£000	£000	£000	£000
As at 1 April 2025	7	18,244	18,251	255	16,680	16,935
Surplus for year	-	1,140	1,140	-	1,316	1,316
Transfers to/from reserves	(7)	7	-	(248)	248	-
Movement in year	-	1,147	1,140	(248)	1,564	1316
As at 31 March 2026	-	19,391	19,391	7	18,244	18,251

The financial statements were approved by the Board on **25th June 2026** and signed on its behalf by:

Peter Curran
Chair

Hiten Patel
Audit & Risk Committee Chair

Caroline Lowley
Secretary

Statement of Financial Position

For year ended 31 March 2026

	Notes	2026 £000	2025 £000
Fixed assets			
Housing properties	10	138,959	128,702
Other tangible fixed assets	11	2,783	2,591
Investments	12	1,217	1,262
		142,959	132,555
Current assets			
Cash and cash equivalents		9,786	16,683
Trade and other debtors	14	4,671	4,655
		14,457	21,338
Current liabilities			
Creditors: amounts falling due within one year	15	(9,072)	(8,747)
Social housing and other government grants: amounts falling due within one year	18/19	(935)	(906)
Net current assets		4,450	11,685
Total assets less current liabilities		147,409	144,240
Creditors: Amounts falling due after one year	16	(58,865)	(56,772)
Social housing grant and other government grants due after one year	18/19	(68,481)	(68,096)
Pension provision – defined benefit liability	25	(672)	(1,121)
Total net assets		19,391	18,251
Capital & Reserves			
Share Capital	22	-	-
Revenue Reserves		19,384	18,244
Restricted Reserves		7	7
Total Capital and Reserves		19,391	18,251

The financial statements were approved by the Board on **25th June 2026** and signed on its behalf by:

Peter Curran
Chair

Hiten Patel
Audit & Risk Committee Chair

Caroline Lawley
Secretary

Statement of Cash Flows

For year ended 31 March 2026

	Notes	2026 £000	2025 £000
Net cash generated from operating activities	23	2,630	3,626
Cash flow from investing activities:			
Purchase and development properties		(8,708)	(2,248)
Purchase or other replacement fixed assets		(470)	(467)
Proceeds from sale of properties and other fixed assets		9	213
Component replacements		(2,920)	(1,319)
Investments		-	-
Grants received		2,164	213
Interest received		412	419
		(6,885)	437
Interest and loan costs paid		(2,072)	(1,932)
New secured loans and drawdowns from existing facilities		3,877	15,324
Loans repaid		(1,817)	(3,773)
		(6,897)	10,056
Net increase in cash and equivalents		(6,897)	10,056
Cash and cash equivalents at the beginning of year		16,683	6,627
Cash and cash equivalents at the end of year		9,786	16,683
Free cash flow:		2026	2025
For the year ending 31 March		£000	£000
Net cash generated from operating activities	23	2,630	3,626
Interest and loan costs paid		(2,072)	(1,932)
Interest received		412	419
Adjustments for reinvesting in existing properties:			
Purchase or other replacement fixed assets		(470)	(467)
Component replacements		(2,920)	(1,319)
		(2,420)	328
Free cash generated before loan repayments		(2,420)	328
Loans repaid		(1,817)	(3,773)
Free cash generated after loan repayments		(4,237)	(3,445)

Notes to the Financial Statement

For the year ended 31 March 2026

1. Legal Status

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is a registered social landlord.

2. Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year, unless otherwise stated.

General Information and basis of accounting

The financial statements have been prepared in accordance with UK generally accepted Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. Taff Housing Association is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

Property, plant and equipment – housing properties

Housing properties are stated at cost less depreciation less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs directly attributable to the construction of new housing properties during the development. Capitalisation ceases when all the activities that are necessary to get the asset ready for use are complete.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis over their useful economic lives. a full year's depreciation is charged in the year properties are transferred into management. Freehold land is not depreciated.

Major components

Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates:

Major Components	Years
Structure	100
Kitchen	17
Bathrooms	26
Heating Systems	15
Lifts	25
Solar Panels	25
Roofs	70
Windows & Doors	30
Electrical Re-wires	50
Flooring	20
Ventilation Systems	15
Sprinklers	30
Rendering	30
External Works	30
Sheds	20

Notes to the Financial Statement

For the year ended 31 March 2026

Improvements

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in surplus or deficit in the Statement of Comprehensive Income.

Capitalised Interest

There has been a change to accounting policy during the year and interest on loans financing development is capitalised up to the date of completion.

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the Association is recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

Non-housing property, plant and equipment

Non-housing property, plant and equipment is stated at historic cost less accumulated depreciation and any provision for impairment. Depreciation is provided on non-housing property, plant and equipment, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value of £615K for Alexandra House Offices, of each asset a full year's depreciation is charged on the year purchased and depreciated on a straight-line basis, over its expected useful life, as follows:

Non-housing property, plant and equipment	Years
Freehold Offices	50
Leasehold land and building	50
Furniture, fixtures & fittings	5 - 25
Vehicles	7
Computer equipment	3-5
Other plant & equipment	3

Investment Property

The classification of properties as investment property or property plant and equipment is based upon the intended use of the property. Properties held to earn commercial rentals or for capital appreciation or both are classified as investment properties. Properties that are used for administrative purposes or that are held for the provision of social benefit are treated as property plant and equipment. Mixed use property is separated between investment property and property, plant and equipment.

Land is accounted for based on its intended use. Where land is acquired speculatively with the intention of generating a capital gain and/or a commercial rental return it is accounted for as an investment property. Where land is acquired for use in the provision of social housing or for a social benefit it is accounted for as property, plant and equipment.

Investment properties are measured at fair value annually with any change recognised in surplus or deficit in the Statement of Comprehensive Income.

Notes to the Financial Statement

For the year ended 31 March 2026

Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and include in surplus or deficit in the Statement of Comprehensive Income.

Social Housing Grant and other Government grants

Where grants are received from government agencies such as the Welsh Government, local authorities, devolved government agencies, and health authorities which meet the definition of government grants they are recognised when the conditions attached to them have been complied with.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected life of the structure and components. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Grants received from non-government sources are recognised as revenue using the performance model.

Donations or acquisition of land or other asset at below market value

Where a donation of land and/or other asset is received or land and/or assets are acquired at below market value from a government source, this is accounted as a non-monetary government grant. The difference between fair value of the asset donated or acquired and the consideration paid for the asset is recognised as a government grant and included in the Statement of Financial Position as a liability.

Where a donation of land and/or other assets is received or acquisitions of land and/or other

Notes to the Financial Statement

For the year ended 31 March 2026

assets at below their market value from a third party does not meet the definition of a government source the transaction is recognised as an asset in the Statement of Financial Position at fair value, taking account of any restrictions on the use of the asset and income equivalent to the difference between any amounts paid or payable for the asset and the fair value of the asset is recognised in surplus or deficit in the Statement of Comprehensive Income as a donation when future performance-related conditions are met.

Housing Finance Grant

Housing Finance Grant (HFG) is paid by the Welsh Government towards the costs of housing assets over a period of 30 years to subsidise the capital and interest costs for the provision of affordable housing. The net present value of the HFG receivable over the agreed payment term is recognised as a capital grant and a deferred debtor.

Upon receipt of the grant payments, the debtor decreases by the capital element and the difference between is credited to surplus or deficit in the Statement of Comprehensive Income as a contribution towards the financing cost of that scheme. The discount rate used for the net present value calculations is the same rate that applies to the associated borrowing to fund the housing assets.

The capital grant element of HFG previously received is deemed to be repayable upon disposal of a related housing asset. This is treated as Recycled Capital Grant in the Recycled Capital Grant Fund and included in the Statement of Financial Position as a creditor.

Recycling of grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed 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 as revenue in surplus or deficit in the Statement of Comprehensive Income.

Restricted reserves

Where reserves are subject to an external restriction they are separately recognised within reserves as a restricted reserve. Revenue and expenditure is included in the Statement of Comprehensive Income and a transfer is made from the general reserves to the restricted reserves.

A special reserve is in place for re-investing funds transferred from Young Women's Housing Association. Reserve funded expenditure is ring fenced to spend on the buildings from where the services operate.

Leased assets

At inception the Association assesses agreements that transfer the right to use assets. The

Notes to the Financial Statement

For the year ended 31 March 2026

assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

Pensions

Social Housing Pension Scheme (SHPS). The Association participates in an industry-wide multi-employer defined benefit pension scheme where the scheme assets and liabilities are separately identified for each employer.

The scheme is accounted for in accordance with FRS 102 with the deficit re-valued each year and additional liability is recognised in the Statement of Financial Position. All calculations are extracted using the SHPS scheme model for valuing. The assumptions made in calculating the deficit is reviewed annually by the Board for reasonableness and no changes have been made.

Defined contribution scheme

The Association participates in a defined contribution scheme where the amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Turnover

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids). 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. Turnover from affordable housing rent is recognised in complete weeks only.

Supported housing and other managing agents

Where the Association has ownership of a supported housing or other scheme but also has an agreement with a third party to manage the scheme (including Supporting People funded schemes or services), where there has been a substantial transfer of risks and benefits attached to the scheme to the third party, any scheme revenue and expenditure is excluded from these financial statements.

Notes to the Financial Statement

For the year ended 31 March 2026

Service charge sinking funds and service costs

Unutilised contributions to service charge sinking funds and over-recovery of service costs which are repayable to tenants or leaseholders or are intended to be reflected in reductions to future service charge contributions are recognised as a liability in the Statement of Financial Position. The amount included in liabilities in respect of service charge sinking funds includes interest credited to the fund. Where there has been an under-recovery of leaseholders' or tenants' variable service charges and recovery of the outstanding balance is virtually certain, the outstanding balance is recognised in the Statement of Financial Position as a trade receivable. Debit and credit balances on individual schemes are not aggregated as there is no right of set-off.

Financial instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities

These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102 are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Notes to the Financial Statement

For the year ended 31 March 2026

Financial Transactions

Public benefit entity concessionary loans

Where loans are made or received between the Association and another party at below the prevailing market rate of interest that are not repayable on demand and are for the purposes to further the objectives of the public benefit entity or public entity parent, these loans are treated as concessionary loans and are recognised in the Statement of Financial Position at the amount paid or received and the carrying amount adjusted to reflect any accrued interest payable or receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

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, liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Significant management judgements

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

Impairment of social housing properties

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

Estimation uncertainty

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing 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 base 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.

Notes to the Financial Statement

For the year ended 31 March 2026

Provisions

Provision is made for dilapidations, aborted development schemes and redundancy costs. These 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.

Pension scheme

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

Going Concern

The Association continues to adopt the going concern basis in preparing its financial statements, based on the following Going Concern Assessment and considerations;

Our business activities, current financial position, and other factors likely to affect our future development are set out in this report. We are in a strong financial position, our funding is structured towards the long term and the period of financing at the year-end is 60 months, providing assurance adequate resources are available to finance committed capital improvement in existing homes and our development programmes along with day-to-day operations. Taff has a long-term 30-year financial plan which shows we can service these debt facilities whilst continuing to comply with lender' covenants. The Board approved the 2025/26 budget and business plan in March 2025, and stress testing of the plan confirmed that risk mitigations were appropriate to respond to key risks.

Following these considerations the Board were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

Notes to the Financial Statement

For the year ended 31 March 2026

3. Particulars of Turnover, Operating Costs and Operating Surplus

	2026			2025		
	Turnover £000	Operating Costs £000	Operating Surplus £000	Turnover £000	Operating Costs £000	Operating Surplus £000
Social housing lettings	11,219	(8,821)	2,398	10,919	(8,965)	1,954
Supported housing	4,100	(3,649)	451	3,749	(3,402)	347
Total From Lettings (4)	15,319	(12,470)	2,849	14,668	(12,367)	2,301
Support Services	716	(713)	3	950	(947)	3
Other Activities	421	(295)	126	430	(238)	192
Development Admin.	-	(204)	(204)	-	(153)	(153)
Total	16,456	(13,682)	2,774	16,048	(13,705)	2,343

4. Particulars of Income and Expenditure from Social Housing Lettings

	General Needs Housing	Supported Housing	2026	2025
	£000	£000	£000	£000
Income				
Rents receivable	9,307	1,644	10,951	10,482
Service charge income	800	949	1,749	1,563
Grant Income	329	-	329	420
Amortised government grant	783	47	830	830
Income from supported housing	-	1,460	1,460	1,373
Turnover from Social Housing Lettings	11,219	4,100	15,319	14,668
Expenditure				
Management	2,272	1,838	4,110	3,998
Service charge	800	920	1,720	1,583
Maintenance	4,014	822	4,836	4,905
Bad debts	33	23	56	77
Depreciation of housing properties	1,632	116	1,748	1,804
Operating Costs	8,821	3,649	12,470	12,367
Operating Surplus on Social Housing Activities	2,398	451	2,849	2,301
Void losses	(138)	(36)	(174)	(86)

Notes to the Financial Statement

For the year ended 31 March 2026

5. Directors Remuneration and Transactions

	2026 £000	2025 £000
Directors who are executive staff members		
Wages and salaries	314	300
Social security costs	40	34
Other pension costs	27	26
Other benefits in kind	4	4
	<u>385</u>	<u>364</u>
Remuneration of the highest paid director, excluding pension contributions:		
Emoluments	<u>103</u>	<u>112</u>

The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply.

The number of Directors who were employed as executive staff members during the year who received remuneration over £60K including pension contributions is shown below:

Salary Band (£)	2026 No.	2025 No.
90,001- 100,000	-	-
100,001 - 110,000	1	2
110,001 - 120,000	2	-
120,001 - 130,000	-	1
	<u>3</u>	<u>3</u>

	£000	£000
Board Members		
Wages and salaries	41	35
Social security	-	-
Other pension costs	-	-
	<u>41</u>	<u>35</u>

There were six other staff members that received emoluments including pension contribution, in excess of £60,000 during the year.

Notes to the Financial Statement

For the year ended 31 March 2026

6. Staff Costs

	2026	2025
	£000	£000
Wages and Salaries	5,668	5,385
Social Security Costs	679	475
Pension and PHI Costs	390	405
	<u>6,737</u>	<u>6,265</u>

The average number of staff employed during the year was	No.	No.
Full time equivalent	169	166
Actual	193	191

7. Interest & Financing Charges

	2026	2025
	£000	£000
Loans repayable by instalments	693	537
Loans repayable other than by instalments	1,344	1,352
Defined Benefit Pension Deficit	54	76
Capitalised Interest	(128)	(162)
Cost of arranging loans	145	134
	<u>2,108</u>	<u>1,937</u>

8. Surplus on Sale of Housing Fixed Assets

	2026	2025
	£000	£000
Sales Proceeds		
Sales Proceeds	-	212
Selling Costs	-	(22)
	<u>2026</u>	<u>2025</u>
	£000	£000
Cost of Sales		
Housing Property Cost	-	(69)
Housing Property Grant	-	39
Housing Property Depreciation	-	15
Housing Property Amortisation	-	(10)
Recycled Capital Grant	-	(29)
Surplus on the sale of housing fixed assets	<u>-</u>	<u>136</u>

Notes to the Financial Statement

For the year ended 31 March 2026

9. Operating Surplus

Operating surplus for the year is stated after charging/ (crediting):

	2026	2025
	£000	£000
Housing properties		
Grant amortisation	(830)	(830)
Depreciation	2,028	2,150
Audit fees – statutory audit	23	22
Operating Lease expenses:	-	-

10. Tangible Fixed Assets – Housing Properties

	Housing properties held for letting	Housing properties in construction	Total 2026	Total 2025
	£000	£000	£000	£000
Cost:				
As at 1 April 2025	147,396	5,659	153,055	148,766
Transferred on completion		(6,529)	(6,529)	(11,466)
Additions	6,529	12,119	18,648	15,824
Disposals	(1,401)		(1,401)	(69)
As at 31 March 2026	152,524	11,249	163,773	153,055
Depreciation:				
As at 1 April 2025	24,353		24,353	22,563
Charge for year	1,722		1,722	1,805
Disposals	(1,261)		(1,261)	(15)
As at 31 March 2026	24,814		24,814	24,353
Net Book Value:				
As at 31 March 2026	127,710	11,249	138,959	128,702
As at 31 March 2025	123,043	5,659	128,702	126,203
Net housing property value comprises:				
Freeholds			138,648	128,391
Leaseholds			31	31
Short leaseholds			280	280
			138,959	128,702

Fixed charges have been granted in favour of the Welsh Government on all properties to secure Social Housing Grant where grant funding has been received.

Notes to the Financial Statement

For the year ended 31 March 2026

II. Units In Management

	Units at 1 April 2025	New Build	Sales	Transfers	Units at 31 March 2026
General needs	1327	-	-	19	1,346
Women's hostel bed spaces	54	-	-	-	54
Supported housing bed spaces	173	-	-	10	183
	1,554	0	-	29	1,583
Development Voids	25	-	-	7	32

12. Tangible Fixed Assets – Investments

	Freehold Property	Total 2026	Total 2025
	£000	£000	£000
As at 1 April 2025	1,262	1,262	1,932
Additions/(Disposals) in year	-	-	250
Reclassification of asset in year	-	-	(940)
Revaluation in year	(45)	(45)	20
As at 31 March 2026	1,217	1,217	1,262

The freehold interests in the Retail Unit at St Canna Court, Llys Saltmead, Hayes Place and Cathedral Road held by Taff Housing Association Limited were valued as at 31 March 2026 by Ed Rankin Associates, professional external valuers. Properties are stated at fair value primarily derived using comparable recent market transactions on arm's length terms.

The relationship between Ed Rankin Associates and Taff Housing Association Limited complies with the RICS guidelines.

Notes to the Financial Statement

For the year ended 31 March 2026

13. Tangible Fixed Assets – Other

	Freehold Offices	Plant, furniture & equipmen t	Housing furniture & equipmen t	Computer equipmen t	Total 2026	Total 2025
	£000	£000	£000	£000	£000	£000
COST						
As at 1 April 2025	3,629	555	1,293	2,150	7,627	4,483
Additions	-	245	47	188	480	467
Reclassification of asset in the year	-	-	-	-	-	940
Disposals	-	(17)	-	-	(17)	-
As at 31 March 2026	3,629	783	1,340	2,338	8,090	5,890
DEPRECIATION						
As at 1 April 2025	1,622	535	1,048	1,828	5,033	2,955
Charge for year	68	19	32	162	281	344
Disposals	-	(17)	-	-	(17)	-
As at 31 March 2026	1,690	537	1,080	1,990	5,297	3,299
NET BOOK VALUE						
As at 31 March 2026	1,939	245	250	350	2,783	2,591
As at 31 March 2025	2,007	20	251	313	2,591	1,528

Notes to the Financial Statement

For the year ended 31 March 2026

14. Debtors:

	2026	2025
	£000	£000
Due within one year		
Rent and service charge receivables	550	678
Provision for bad and doubtful debts	(197)	(307)
	353	371
Housing Finance Grant	78	75
Prepayments and accrued income	1,023	1,219
Other debtors	944	638
	2,398	2,303
Due after one year		
Housing Finance Grant	2,273	2,352
	4,671	4,655

15. Creditors: Due within one year

	2026	2025
	£000	£000
Trade creditors	684	455
Loan capital repayments	834	1,814
Land loan repayments	1,350	375
Loan interest	425	562
Rents received in advance	309	297
Accruals & deferred income	1,895	2,120
Grants received in advance	3,258	2,707
Recycled capital grants	188	188
Capital expenditure on housing properties	33	139
Other creditors	96	90
	9,072	8,747

Notes to the Financial Statement

For the year ended 31 March 2026

16. Creditors: Due after one year

	2026	2025
	£000	£000
Loans	60,061	57,997
Costs of raising loans	(1,196)	(1,225)
	<u>58,865</u>	<u>56,772</u>

Housing loans were secured by specific charges on the Association's housing property. Rates of interest during the year ranged from 2.3% to 6.35%.

	2026	2025
	£000	£000
Loans repayable by instalments fall due as follows:		
Within one year or less	2,184	2,189
Between one and two years	855	1,809
Between two and five years	4,770	3,339
In five years or more	2,706	7,152
In more than one year	8,331	12,300
Total housing loans	<u>10,515</u>	<u>14,489</u>
Repayable otherwise than by instalment:		
In more than five years	<u>51,730</u>	<u>45,697</u>

17. Social Housing Grant

Gross Grant Creditor	2026	2025
	£000	£000
As at 1 April 2025	83,692	83,546
SHG receivable in the year	133	185
Housing Property Disposals	-	(39)
As at 31 March 2026	<u>83,825</u>	<u>83,692</u>

Amortisation	2026	2025
	£000	£000
As at 1 April 2025	16,379	15,559
Credit for the year	830	830
Housing Property Disposals	-	(10)
As at 31 March 2026	<u>17,209</u>	<u>16,379</u>
Net Grant Creditor as at 31 March 2026	<u>66,616</u>	<u>67,313</u>

Notes to the Financial Statement

For the year ended 31 March 2026

18. Social Housing Grant – Creditors:

	2026 £000	2025 £000
Amounts falling due:		
Within one year or less	830	830
Between one and two years	830	830
Between two years and five years	2,490	2,490
In five years or more	62,466	63,163
	<u>65,786</u>	<u>66,483</u>
Total grant creditor	66,616	67,313

19. Other Housing Grant – Creditors:

	2026 £000	2025 £000
Amounts falling due:		
Within one year or less	105	76
Between one and two years	105	76
Between two years and five years	315	228
In five years or more	2,275	1,309
	<u>2,695</u>	<u>1,613</u>
Total grant creditor	2,800	1,689

20. Contingent Liabilities

The Association has contingent liability with Welsh Government and other government agencies for £17,209,000 (2025: £16,379,000) representing the amount of social housing and capital grant amortised through the Statement of Comprehensive Income.

The Association is a member of a multi-employer pension scheme SHPS. The Association has been notified by the Pensions Trust that the estimated employer debt on withdrawal from the SHPS scheme (pension deficit) based on the financial position of the scheme as at 30 September 2025 was £2,266,797 (latest information available).

“We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme’s benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with the Court’s determination expected no earlier than Summer 2025. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as of 30

Notes to the Financial Statement

For the year ended 31 March 2026

September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in the financial statements in respect of this"

21. Related Party Transactions

Board Member Related Party Transactions During the Year:

The Association provided rented accommodation to one Board member that is a tenant during the year (2025 -26) and charged rent to those members on the Association's standard terms.

The Association provided services for accommodation to Bawso during the year totalling £166,003, Tariq Sanousi (Board Member) is an employee of the company.

The Association provided services for accommodation to Llamau during the year totalling £141,168, Yvonne Connolly (Board Member) is an employee of the company. (Yvonne Connolly stepped down as Board member at AGM in July 2025)

The Association invested cash deposits an investment account with Handelsbanken during the year, Graeme Tipple (Board Member) is an employee of Handelsbanken.

All transactions which took place in the year occurred on an "Arm's Length" basis.

Senior Officer Related Party Transaction:

There were no senior officer related party transactions in the year.

22.Share Capital

	2026	2025
	No.	No.
Shares of £1 each fully paid		
As at 1 April 2025	36	38
Issued during the year	3	
Cancelled in year	(2)	(2)
As at 31 March 2026	37	36

Notes to the Financial Statement

For the year ended 31 March 2026

23. Cash Flow from Operating Activities

	Notes	2026 £000	2025 £000
Surplus (Deficit)		1,140	1,243
Adjustments for non-cash items:			
Depreciation of tangible fixed assets	9/12	2,028	2,150
Government grants amortised in year	16/17	(830)	(830)
Others		(30)	79
Debtors		(855)	182
Creditors		(158)	259
Provisions		134	(65)
Pension deficit cash contributions		(397)	(496)
Adjustment for investing or financing activities:			
Gain on disposal of properties, plant and equipment		(9)	(136)
Interest receivable		(412)	(419)
Interest and financing costs		2,072	1,932
Movement in fair value of investments		45	(20)
Re-measurement of pension liability		(98)	(253)
Net cash generated from operating activities		2,630	3,626

Notes to the Financial Statement

For the year ended 31 March 2026

24. Analysis of Net Debt

	At 1 April 2025	Cashflow	Other Non-Cash	At 31 March 2026
	£000	£000	£000	£000
Cash	16,683	(6,897)	-	9,786
Borrowings				
Debt due within 1 year	(2,189)	5	-	(2,184)
Debt due after 1 year	(57,997)	(2,064)	-	(60,061)
Total borrowings	(60,186)	(2,059)	-	(62,245)
Net Debt	(43,503)	(8,956)	-	(52,459)

25. Pension Costs

The Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit pension in the UK.

The Scheme is subject to funding legislation outlined in the Pensions Act 2004 which came into force on December 2005. This, together with documents issued by the Pension Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupation pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been in place with the aim of removing the deficit by 31 March 2028.

The Scheme is classified as a 'last man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

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

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus

Notes to the Financial Statement

For the year ended 31 March 2026

Social housing Pension scheme

25.1 Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset/(liability)

	2026	2025
	(£000)	(£000)
Fair value of plan assets	7,704	7,368
Present value of defined benefit obligation	(8,376)	(8,489)
Deficit in plan	(672)	(1,121)
Defined benefit asset/(liability) to be recognised	(672)	(1,121)

Reconciliation of opening and closing balances of the defined benefit obligation

	2026	2025
	(£000s)	(£000s)
Defined benefit obligation at start of period	8,489	9,296
Expenses	16	13
Interest expense	491	451
Actuarial losses/(gains) due to scheme experience	(188)	369
Actuarial losses/(gains) due to changes in demographic assumptions	66	-
Actuarial losses/(gains) due to changes in financial assumptions	(172)	(1,374)
Benefits paid and expenses	(326)	(266)
Defined benefit obligation at end of period	8,376	8,489

25.2 Reconciliation of opening and closing balances of the fair value of plan assets

	2026	2025
	(£000)	(£000)
Fair value of plan assets at start of period	7,368	7,504
Interest income	437	375
Experience on plan assets (excluding amounts included in interest income) – gain/(loss)	(196)	(752)
Employer contributions	421	507
Benefits paid and expenses	(326)	(266)
Fair value of plan assets at end of period	7,704	7,368

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2025 to 31 March 2026 was £241,000.

Notes to the Financial Statement

For the year ended 31 March 2026

25.3 Defined benefit costs recognised in Statement of Comprehensive Income (SOCl)

	2026	2025
	(£000)	(£000)
Expenses	16	13
Net interest expense	54	76
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	70	89

25.4 Defined benefit costs recognised in Other Comprehensive Income (OCI)

	2026	2025
	(£000)	(£000)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(196)	(752)
Experience gains and losses arising on the plan liabilities - gain (loss)	188	(369)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(66)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	172	1,374
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	98	253
Total amount recognised in Other Comprehensive Income - gain (loss)	98	253

25.5 Key Assumptions

	2026	2025
	% per annum	% per annum
Discount Rate	5.90	5.90
Inflation (RPI)	3.06	3.06
Inflation (CPI)	2.80	2.80
Salary Growth	3.80	3.80
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

Notes to the Financial Statement

For the year ended 31 March 2026

26. Financial Commitments

Capital commitments are as follows:

	2026 £000	2025 £000
Contracted less certified	1,614	2,376
Funded by:		
Social Housing Grant	-	-
Cash at bank/existing loan facilities	1,614	2,376
	1,614	2,376
Authorised by the Board of Management but not contracted	15,802	15,872
Funded by:		
Social Housing Grant	1,485	-
Cash at bank/existing loan facilities	14,317	15,872
	15,802	15,872

27. Post Balance Sheet Events

There were no events requiring reporting between the balance sheet date and the date on which these financial statements were approved.