



ClwydAlyn

Annual Report and Financial Statements

2023-24



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Together to beat poverty

Our Social Purpose

NO POVERTY. Imagine how different Wales would be if we had no poverty. Everyone having access to high quality, affordable housing; able to afford to heat it properly and afford the food they need to stay healthy.

It might sound far-fetched, but at ClwydAlyn we don't think so. We believe that we can and should aim to make this a reality for as many people as possible. At the beginning of 2019, a new business plan was adopted with its focus on the company's core values of Trust, Kindness and Hope. This laid out the company's ambitions of reducing poverty in its areas of operation and of ending evictions, which we have achieved.

The cost-of-living pressures following on the heels of two years of pandemic disruption means the stresses and strains faced by everyone are becoming harder to deal with. ClwydAlyn accepts it has a very clear responsibility to its tenants and staff to do what it can to support them through these difficult times.

ClwydAlyn was formed in 1978 as a non-charitable Registered Social Landlord. The Group now manages over 6,500 homes and employs around 800 staff, to deliver a range of housing management related services, which includes care and supported housing, development, and repair and maintenance services across North Wales.

The Group's homes and services include social housing, supported living accommodation, specialist care and nursing services, low-cost home ownership, leasehold management services and intermediate and market rented housing.

The Group is much more than a social housing provider. We make a significant contribution to the North Wales economy both as an employer and as an investor with 977 new homes planned for the next three years across the region, using as many local companies as possible and enhancing the social value of every pound we spend.

We continue to support and invest in projects throughout North Wales.

Chair's Review

I joined as ClwydAlyn's chair in September 23 and have been hugely impressed by the work that is going on. The past year has seen strong performance despite the turbulence caused by cost-of-living problems, high interest rates and wider political events. My goal for the future is to build on the great work to date and for ClwydAlyn to continue to be a leader in the social housing and supported living sectors.

ClwydAlyn is a financially strong, growing business, known positively for its dynamic vision and values-based approach to employment and service delivery. We achieved a margin of 20% and at a time of turbulence in the funding markets we maintained our 'A Stable' rating with S&P and moved to 'A3 Stable' from 'A3 Negative' with Moody's. During the year we drew down £40m from our bond, with low interest rates. We also secured £6m of low and zero interest rates from Welsh Government.

During 2023/34 we successfully bid for £39m in grant income, comprising £31m to build or buy new homes, and £8m to improve existing properties. We now have 485 new homes on site with a further 1,100 at various stages of the development process.

We were able to benefit from a new Welsh Government funding stream to bring long term empty homes back into use and to redevelop some older/not fit for purpose accommodation. Our work on Compliance and Building Safety remains a high priority with a range of works completed to homes and complex buildings over the last year to address risk and improve safety. We spent over £800k adapting existing tenants homes enabling people to maintain their independence and live well.

All our new homes are built to EPC A, and we continue to build many ultra-low carbon homes, utilising off site manufactured systems and including Welsh timber panels manufactured in Berwyn prison. We are fitting air source heat pumps, solar PV, battery storage and a range of other new technologies to minimise our impact on the environment. Following an invitation from Welsh Government we have established a Zero Carbon Hub for housing to share best practice and learning across Wales.

During the year we acquired the Rosa Hovey Housing Trust who owned a small number of properties in the Conwy area. This provided us with a one-off benefit of £1.1m and modest additional ongoing rental income.

In early 2023, ClwydAlyn's board agreed to create a joint venture company with Cartrefi Conwy Housing Association, called Onnen. Its remit is to improve our knowledge of decarbonisation and to manage and deliver retrofit works to our existing stock. The company started trading in October 2023. In its first year of operation, it achieved a turnover of £600k.

We continue to support our residents directly and in addition to ensuring our rents are affordable we have undertaken a comprehensive review of service charges with residents which has seen reductions across the board; helping to make our services more affordable and cost effective. Our rent arrears reduced during 2023/24 and our voids performance is improving meaning that rent losses in the fourth quarter of the year were £200k less than in the first quarter.

Tenant satisfaction data tells us that we are performing very well comparatively, with all measures being top and medium quartile when compared with other landlords across the UK. Our social media profile has been positive again this year with the highest engagement rate across other North Wales Housing Associations.

We work in partnership to address the impacts and causes of poverty and are influential partners in the 2025 movement, Well Fed, Warm Wales, the regeneration of Rhyl, advisors to Welsh Government on ending homelessness, and in Health Board work. We developed our baseline position on Social Value in 2022 so that we know what matters to residents and can measure progress. We now have information from 2,000 of our households and these views will form the basis of developing priorities for our next corporate plan. We produced our third Environmental, Social and Governance report and this demonstrates our contribution to addressing environmental and social challenges.

We have commenced a full review of all Supported Living Services to ensure that our portfolio is fit for purpose, meets modern standards and delivers value for money. Our three Registered Care Homes all received unannounced inspections from Care Inspectorate Wales, with all services being classed as compliant with only a small number of areas for improvement.

We continue to be a Real Living Wage employer; a Working Families top 30 company and have won two awards. Firstly, the Working Families award for our work to support the mental health and wellbeing of our staff, and secondly, the Mental Health First Aid Gold award; one of only 5 companies in the whole of Wales.

Through our culture change journey, we continue to embed how we live and lead our values of Trust, Kindness, and Hope. We are delivering a management development programme for all current and future leaders which is developing both how we lead and live our values. Our work around career development and workforce planning will allow us to improve staff retention and address succession planning challenges in key areas. We have progressed with our work to become a Trauma Informed organisation, and are implementing an Equality, Diversity and Inclusion plan to enable us to become an even more inclusive employer and service provider.

With all our additional new homes, a new extra care and new supported living contracts we are also investing in our future. As part of our budget setting for 2024/25 we have recruited an additional 40 staff, and this includes 10 new pathway roles aimed at bringing younger people into the business.

We are in very challenging times; and as a board we are proud of how we are managing these challenges whilst continuing to prioritise and invest in our mission “to beat poverty”. We continue to invest heavily to build more high quality, much needed homes and we continue to support those residents facing the most significant life and financial challenges. Our programme to decarbonise our existing homes progresses at pace and we are planning for how we will implement the new Welsh Housing Quality Standard.

Finally, I would like to thank my predecessor, Stephen Porter, for guiding the company to this position and also to welcome three other new board members who joined during the year.

Cris McGuinness
Chair of the Board

Strategic Report

ClwydAlyn operates across seven counties in North and Mid Wales. Our housing portfolio contains around 6,500 properties, the majority of which are general needs and sheltered accommodation. We also have shared ownership and Homebuy properties and lease out homes to local councils for them to provide specific supported living arrangements for their tenants.

Included in our housing stock we also operate eight extra care schemes (soon to be nine) with 512 flats and three care homes with 130 beds. We also have 16 supported living schemes which provide accommodation for 205 people and include a homeless shelter and domestic violence refuge.

We do not build homes for outright sale and any disposals are simply to ensure we have an efficient property portfolio. During the year we disposed of a small number of underperforming or surplus properties.

Housing Services

We continue to embed our community-based approach to housing services. Housing Teams work in small community patch areas with between 200 and 250 properties per Officer. Working in this way allows Officers to build relationships with our residents to understand their circumstances and needs and provide targeted support where it's needed.

We have restructured the work of our Welfare Rights Team to prioritise those residents who are more likely to be in financial crisis. We have increased the number of Early Intervention Officers within each team and have also rolled this support out to all tenures across the business. Over the past year officers supported 416 residents via early intervention and with the increase in staff planned from August this year, we should see this number increase dramatically moving forward.

Over the past year we have reduced arrears across the business from 4.39% in 2022/23 to 4.19% in 2023/24.

Our rent setting is based on the Joseph Rowntree Foundation – Living Rent model, which builds affordability into any rent setting decisions. Satisfaction with rent providing value for money stands at 85% which is 2% above the UK average and in recent analysis of our resident satisfaction results, we ranked 8th out of 126 landlords across the UK for overall satisfaction.

Residents' Fund

ClwydAlyn currently has a Residents' Fund that is utilised to help residents that are in financial hardship or crisis.

Support Work – Financial Gains

Our Welfare Rights Team and our Early Intervention Officers provide support to residents who may be struggling with their finances or who are struggling to manage their tenancy. Over the past 12 months we have supported 296 residents financially and captured the impact from a range of interventions and total financial gains for the year are £1.2m. This means an average gain per resident of approximately £4,000.

This additional income for residents is in a range of forms such as:

- PIP applications and support with appeals
- Budgeting Advice
- Application for work capability assessments / ESA
- Application for discounts and bill reductions where eligible
- Referral for specialist debt support
- Discretionary Housing Payments

Wellbeing Support

Wellbeing Support is key to ensuring that residents can manage their tenancies and sustain their accommodation. We have seen the role of the Housing Officer change over recent years and more and more the Housing Officer is viewed as the only constant in residents' lives.

Over the financial year 2023/24 we have supported 425 residents with wellbeing concerns. Support ranges depending on need, but examples include: -

- 95 linked to Food Poverty
- 24 linked to Fuel Poverty
- 93 linked to property condition
- 101 linked to residents Health and Wellbeing
- 109 were resolved directly by Housing Officer

ClwydAlyn also provided food vouchers to 128 households at Christmas to help residents with purchasing food for this period. ClwydAlyn employees provided gifts to 74 residents who were either socially isolated or struggling financially and had children within their household.

New Residents

During the year we welcomed 687 new residents:

84	Affordable Homes
108	Extra Care
363	General Needs
34	Group Homes
98	Supported Living

Asset Management

During 2023/24, the Welsh Government introduced the new Welsh Housing Quality Standard ("WHQS") and the Renting Homes Wales Act ("RWHA"). Both have implications for the future investment in our stock. We are reviewing our asset management plan in light of these new requirements. During the year, the focus remained on improving our worst performing homes, prioritising measures that not only improve our residents' homes but also taking steps towards reducing energy consumption and improving affordability.

£1.7m of funding was invested into our homes via the Welsh Government's Optimised Retrofit Programme ("ORP"). The investment included:

- Solar Photovoltaic - 47
- Photovoltaic Battery - 73
- NexGen Infra-red heating systems – 5
- Mixergy Cylinders – 20
- Iopt Energy & Environment Sensor Systems – 60
- Low Energy Lighting Upgrades – 17
- Insulation - 22

The ORP 3.2 funding allocation of £2m in 2023/2024 was received during the year in preparation for works in 2024/2025. Claiming ORP 3.3 funding by Welsh Government will change going forward with grants released post completion of works each quarter and all claims must be completed by the 31st of March 2025. Therefore, the funding for 2024/2025 to be spent on decarbonisation totals £4m.

Work was undertaken to improve our Energy Performance Certificate ("EPC") data held within Parity, resulting in a reduction in our worst performing homes. We have 49 properties rated below EPC D, and where possible, these will be targeted for energy performance improvement works (minimum Standard Assessment Procedure ("SAP") 75 C rating)

The group's EPC and general stock data continues to be reviewed and improved to provide further assurance on our position.

Investing in the correct assets is crucial to delivering the new WHQS 2023 therefore it is essential on occasion to consider disposal of some properties. During the year we sold £750k of properties that were either surplus or through staircasing.

We have been able to access grants for some of our long-term void stock via the Transitional Accommodation Capital Programme funding (TACP). There are currently 24 property refurbishments in progress totalling approximately £950,000 of which 80% will be funded by TACP. This is in addition to the 38 properties completed in the previous 18 months. Access to the TACP funding has significantly reduced our property disposals.

Our joint venture with Cartrefi Conwy to address the net zero challenge by collaborating and sharing resources to deliver green retrofitting measures to residents' homes has had a successful trading year undertaking 368 technical surveys, 126 various energy efficient measures consisting of Cavity Wall Insulation ("CWI"), solar panels, Solar battery and heat pumps, including the extraction of failed CWI to 31 properties.

Over the last financial year we have successfully implemented our new Compliance and Building Safety staffing structure to prepare for the new safer building regime and strengthen our compliance position. We have provided additional training and support and have introduced a competency framework matrix including mandatory Continuous Professional Development ("CPD") hours for all staff who work in our Asset and Compliance & Building Safety teams who manage our complex buildings, this will support and strengthen resident safety and delivery of our compliance obligations.

In addition, a review of frontline services has resulted in the competency matrix being introduced to those roles also in order to satisfy the Building Safety Regime.

We have strengthened our fire safety team by employing an additional Compliance Co-ordinator (Fire Safety) to reduce the need to subcontract work out to third parties. This will also allow a greater understanding of our stock and the requirements needed.

Investing in fire and building safety to satisfy the requirements of our Golden Thread of information; we have done so by undertaking extensive works at Merton Place and Gorwel Newydd. In addition, completing intrusive, compartmentation surveys at all our complex builds so we can better understand our buildings and how they operate.

Repairs and Maintenance

During the year we carried out 25,434 repairs, an increase of 1,363 or 5.7% on last year.

We delivered significant improvements to residents' homes, spending £4.2m on improving existing homes and a further £10.5m in repairing and maintaining them.

During the year we installed:

- 472 kitchens and bathrooms
- 162 windows and doors
- 121 boilers installed.
- 3 electrical heating systems

Also, during the year:

- Refurbished 488 void properties.
- Our first-time fix rate was 88%.

Supported Housing

Supported Housing refers to accommodation that is provided to residents who require additional support to live independently. The level of support can vary depending on the needs of the residents, but the overall goal is to help individuals maintain stable housing and achieve greater independence while addressing their specific challenges.

Across ClwydAlyn, we run a number of services that support young people, families, mothers and babies, individuals with complex health needs and victims of domestic abuse. Examples of support provided includes:

- Access to treatment services for alcohol, drug, or health problems.
- Help with getting benefits.
- Developing independent living skills, such as budgeting and cooking.
- Increasing physical and mental wellbeing, including the ability to cope in a crisis.
- Encouragement to reconnect with family and friends or develop new social networks.
- Assistance in taking up education, training, and employment opportunities.

Over the course of the last financial year, we have had successes which include:

- We were awarded the Welsh Women's Aid National Quality Service Standards (NQSS), a quality mark for specialist services that address domestic abuse.

-
- We were successful in several tender bids to provide supported living provision across North Wales.
 - Having led North Wales's response to the Ukrainian crisis, we supported over 100 individuals to find settled accommodation across Wales.
 - We have embedded Trauma Informed Practices across all our services.

Additionally, during Q2 of 2024/25 we are opening Ty Nos, a brand-new service to support 20 homeless individuals in the County of Wrexham.

Extra Care

ClwydAlyn is a leading provider of Extra Care housing within Wales. Our schemes give older people the choice to live in their own home independently with access to innovative, high quality and flexible service provision. Purpose-built, our extra care housing is an alternative to conventional care homes.

Extra Care remains a popular option for older adults, and we are due to open our ninth scheme in Welshpool in the Summer of 2024.

Occupancy rates have remained consistently high over the course of 2023/24, and we benefit from a very experienced management team who ensure that services meet the needs of our residents.

Care & Nursing

ClwydAlyn's Care and Nursing Homes provide a range of services that include dementia care, nursing care, general care for the elderly and mental health care for younger adults. In doing so, our fully trained staff support our residents in a caring, relaxed, and homely environment.

Over the course of the last financial year, all three of our Care Homes received unannounced inspections from the Care Inspectorate for Wales. The inspection reports were very positive in each instance, with no areas of non-compliance. The common thread was that our residents live well and received high quality care and support from knowledgeable and trained care teams.

During the year, we have seen an upturn in occupancy rates, with our portfolio of homes achieving against budgetary targets. This has taken some time post Covid but demonstrates increased confidence in families seeking housing options for their loved ones.

An additional focus has been to actively solicit feedback on the quality of our services and Chirk Court (our 66-bed dementia Home) is now the topped ranked home in the County of Wrexham (as seen on www.carehomes.co.uk). Merton Place, our 54 bed Nursing Home, is now the second ranked nursing home in the County of Conwy.

Development

Since the commencement of the Development Programme in 2017-18, over 1,000 new homes have been completed with around 500 currently on site and a further 659 due to start on site over the next 15 months. In addition, a further 452 new homes are identified on future land opportunities in the pipeline, bringing a total investment of £568m in developing homes across North Wales and accessing over £300m of grant from Welsh Government towards it.

ClwydAlyn's business plan approved by the Board in March 2024 sets out the completion of new homes to 2028/29, bringing ClwydAlyn's total predicted stock to over 8,000 homes by the end of that period, a 45% increase since 2017/18.

Most new schemes on site are for general needs housing made up of self-contained houses and apartments with the exception of our ninth Extra Care/Independent Living scheme for older people in Powys, due for completion in the summer of 2024. ClwydAlyn's Development Strategy is to deliver more general housing type accommodation, which is less complex, sustainable and financially viable which grows income streams and has a positive effect upon the Business Plan.

Of the 1,000 new homes completed, 188 are of low carbon by design, exceeding building regulations, with a further 74 of this type on site and due for completion in 2024/25. These homes incorporate a range of features which reduce carbon in their construction and costs in their operation, reducing energy bills for residents. These homes are constructed off site in partnership with a Contractor who set up a factory within Berwyn Prison. The factory now employs around 30-35 people to make and deliver to site the superstructure for the homes i.e. walls, floor cassettes and panels. This has resulted in the rapid building of some schemes, handed over prior to contracted completion dates. The low carbon homes include, solar panels, battery storage, triple glazing, low concrete foundations, air source heating and recycled plastic in place of bitumen in roads to name but a few of the very special elements of these homes. Welsh Government have made available higher grant funding rates to facilitate these homes and the higher costs attributable.

All other homes delivered or onsite are EPC A and mostly 'off-gas'. ClwydAlyn was the third highest social housing provider of EPC A rated homes in the UK for 2022-23.

We have continued to procure our projects with mainly local companies who provide more local jobs, apprenticeships, and training opportunities as part of their activities. All contractors are based in Wales and use local supply chains and sub-contractors. An example of this approach are projects on Anglesey where 100% of the workforce/sub-contractors are from the locality, adding to the local economy.

We continue to ensure that more supplies and labour are sourced from local communities and encouraged the use of materials which are sustainable and locally sourced including Welsh Timber for the construction on many of the homes.

Staff

We have completed our April 2024 pay review. We have maintained our commitment to pay market median salaries and be a real living wage employer despite the compression this creates. Overall pay increases ranged from 4% to 10.4% with higher levels of increase awarded to our lower paid staff.

Our new style staff induction day 'Welcome Home' continues to receive very positive feedback providing an opportunity for people who are new to the organisation to get together and learn about the wider organisation. We have introduced a session delivered by Iaithe on Welsh Language and Culture. To date 107 staff have attended with further dates to be planned this year.

We continue to increase the number of Trainees, Apprentices and staff on Career Pathways. We currently have 39 staff in these development roles with £300k budgeted

for 2024/25 for a further 10 roles. Pathways are available at all levels from entry to more advanced roles.

Our Inclusion Plan was approved in December and over the past six months, we have focussed on a number of key areas including awareness raising and wider learning, building Welsh language capacity and recognising and addressing discrimination and hate crime.


The Wellbeing Team have supported 142 staff members (19% of the business) in just over eleven months. Of the 142 individuals supported, 100 (70%) did not take sick leave due to their intervention. 36 (25%) of cases were a mixture of work and personal related issues, 65 (45%) were for personal/other issues and 41 (29%) were work related.

During the year we developed a new management and leadership course covering the themes of self-awareness, personal leadership and growing great teams. Our first cohort of managers are currently moving through the modules, with a second due to start shortly.

We have created a 'Getting To Know You' form in line with the 'best practice' guidance set out by Tai Pawb to better capture the Equality, Diversity and Inclusion ("EDI") information of both our staff and residents, to influence our plans and better tailor our services moving forward. We rolled out the campaign to collect staff data in December, sharing the reasons why we would like the information and what we intend on using it for once we have it, as shown below, and have had 490 completed forms to date.

Customer Satisfaction

The results from the 'STAR' surveys carried out in 2023/24 continue to demonstrate that there remain high levels of satisfaction with most services delivered by ClwydAlyn. Overall satisfaction with landlord services at ClwydAlyn is 86% and compares well to the rest of the sector, and this is backed up by similar high ratings for satisfaction with the rent providing value for money, residents feel safe and secure in their homes and the quality of the home.




86% Overall Satisfaction












In 2023/24, 86% of residents are satisfied with the overall service provided by ClwydAlyn. The same percentage of residents are satisfied with the quality of their home, and an even higher percentage are satisfied that their home is safe and secure (91%). More than four-fifths of residents surveyed are happy with their neighbourhood (83%), and that their rent is value for money (85%). In addition, almost four-fifths of residents say that they trust ClwydAlyn (79%) and 78% are satisfied with how repairs and maintenance are dealt with (78%).

Fewer residents see their service charge as value for money however (71%).

The percentage of residents satisfied that their landlord listens to their views and acts on them, is just over three quarters (76%) but fewer residents are satisfied that they have the opportunity to be involved in decision making or saying how services are managed (70% and 68% respectively). These areas, along with how ClwydAlyn deals with anti-social behaviour (71% satisfaction rating) could be targeted for improvement.

Key Metrics Summary 2023/24



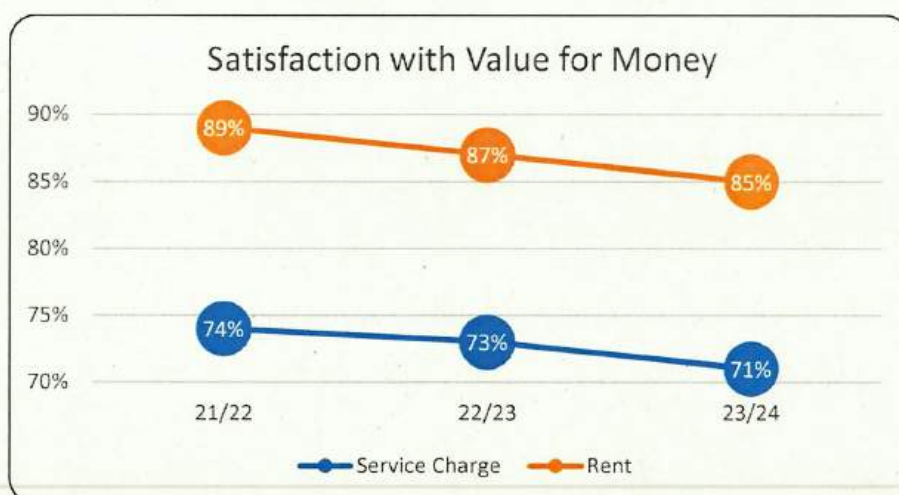
	86% Quality of home		70% Decision making process
	91% Safe and secure		68% Say in how services managed
	78% Repairs - Overall satisfaction		79% Trust
	83% Neighbourhood as a place to live		85% Rent - Value for money
	71% Anti-social behaviour		71% Service charge - Value for money
	76% Listens & Acts		

We compare our performance on the core STAR questions against Welsh Government figures. All this year's ClwydAlyn's annual ratings are above the median, with half showing in the top quartile. Overall satisfaction with ClwydAlyn's services is just above the upper quartile value.

In 2023/24, 86% of residents were satisfied with the overall service provided by ClwydAlyn. The same percentage of residents are satisfied with the quality of their home, and an even higher percentage are satisfied that their home is safe and secure (91%). More than four-fifths of residents surveyed are happy with their neighbourhood (83%), and that their rent is value for money (85%). In addition, almost four-fifths of residents say that they trust ClwydAlyn (79%) and 78% are satisfied with how repairs and maintenance are dealt with.



The value for money of rent and service charges are key measures of satisfaction with an organisation's service overall. Satisfaction with rent value for money among ClwydAlyn residents is high, at 85% - more than half being very satisfied (52%), with dissatisfaction at just 9%, with 6% being neither satisfied nor dissatisfied.



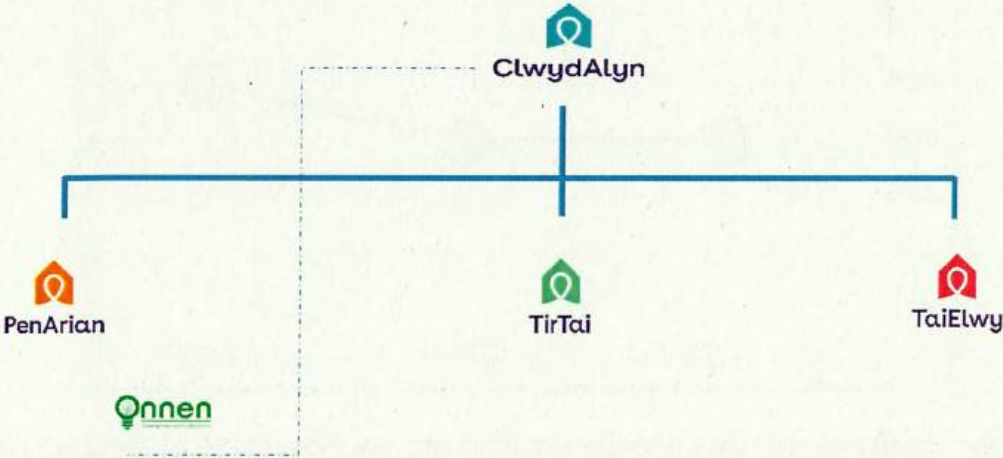
Satisfaction with the value for money provided by the service charge is lower, at 71%, but we are hopeful that the recent service charge review work which delivered reductions for all schemes reviewed will support an increase in satisfaction in this area during 24/25.

Corporate Social Responsibility – Environmental, Social and Governance Report

ClwydAlyn takes its Environmental, Social and Governance (ESG) responsibilities very seriously. We produced our third ESG Report containing information about activities we have undertaken and assessing our performance against the relevant criteria. A copy of the report can be found on our website.

Governance

Our Group consists of ClwydAlyn Housing, the parent, and principal operating company, three subsidiaries, PenArian, Tir Tai and Tai Elwy (which is dormant) and a Joint Venture with Cartrefi Conwy, Onnen.



- ClwydAlyn Housing Limited, the parent and a charitable Registered Society which, develops, owns, manages, and maintains housing as well as providing housing and care & support services and is the asset owning entity in the group.
- PenArian Housing plc is the company through which all the external bond activity is undertaken to provide funding for group members.
- Tir Tai Ltd, undertakes the development activity within the group and buys development services from ClwydAlyn.
- Tai Elwy Ltd, is the commercial vehicle to undertake activities and projects outside of the charitable aims of ClwydAlyn and is currently dormant.
- Onnen – A Joint Venture with Cartrefi Conwy established to deliver decarbonisation work and provide investment in low energy efficient homes. Onnen will act as a principal contractor and sub-contract work to third parties.

The Group is governed by a Board and adheres to the Community Housing Cymru's Code of Governance. The Board's primary role is to define strategy and ensure compliance with the Group's values and objectives. It agrees the strategic direction of the organisation and makes sure that policies and plans are in place to achieve those objectives. It also establishes and oversees a framework of delegation and systems of control, ensuring that good governance practices are embedded across the Group's operations. Some of the main board members also sit on the board of one of the subsidiaries and all the board members sit on at least one of the group's committees:

- Residents' Committee - One resident board member and nine resident representatives. To provide the Board with assurance on resident engagement, resident scrutiny, performance on services and to influence decisions made.
- People Committee – To provide the Board with assurance on staff reward, wellbeing, engagement, safeguarding, staff health and safety and gender pay.
- Assurance Committee – To provide the Board with assurance on the effectiveness of internal controls, audit, financial reporting and risk.
- Property Committee – To provide the board with assurance on the quality, value for money and performance of investment in both building new homes and maintaining existing homes. It also reviews property health and safety.

These committees review specific parts of the business in accordance with our scheme of delegation. Insurance policies are maintained for the Board members and the executive directors of the Group against liabilities in relation to the Group.

Board, Executive and Residents Committee Members

Executive Directors:

Clare Budden	Group Chief Executive
Paul McGrady	Executive Director Resources (Resigned 26 th July 2024)
Craig Sparrow	Executive Director Development
Dave Lewis	Executive Director Asset Management
Elaine Gilbert	Executive Director People, Marketing, and Communications (Resigned 26 th April 2024)
Sian Williams	Executive Director People, Marketing, and Communications (Appointed 15 th July 2024)
Suzanne Mazzone	Executive Director of Housing Services
Edward Hughes	Executive Director of Care and Support

The Group Executive Directors hold no interest in the Association's share capital. They act as executives within the authority delegated by the Board.

Name	Board/Committee	Appointed	Stood Down
Stephen Porter	Chair ClwydAlyn, PenArian, Tir Tai, Tai Elwy Board and People and Property Committee	March 2015	September 2023
Paul Robinson	Vice Chair ClwydAlyn and PenArian Board and Chair Assurance Committee	January 2015	September 2023
Frazer Jones	ClwydAlyn, Tir Tai and Tai Elwy Board and Vice-Chair Assurance Committee	January 2015	September 2023
Sara Mogel	ClwydAlyn Board and Chair, People Committee	January 2015	September 2023
Sheila Powell	ClwydAlyn Board and Resident Committee	May 2021	September 2023
Sandy Mewies	ClwydAlyn Board and Property Committee	October 2016	
Clare Budden	ClwydAlyn Board, Tir Tai, PenArian and Tai Elwy Board	April 2018	

Nia Wynne Hughes	Chair Tir Tai, ClwydAlyn, PenArian and Tai Elwy Board and Assurance Committee	October 2019	
Rob Morton	Chair PenArian Board, Tir Tai Board, Tai Elwy Board, ClwydAlyn Board, Chair Assurance Committee	April 2020	
Roger Rowett	ClwydAlyn Board and Chair, People Committee	May 2020	
Edward Hughes	ClwydAlyn Board	November 2020	
Hayley Hulme	ClwydAlyn Board and Chair Property Committee	September 2021	
Peter Smith-Hughes	ClwydAlyn Board and Chair Resident Committee	September 2022	
Cris McGuinness	Chair ClwydAlyn Board, PenArian, Tir Tai, Tai Elwy Board and People Committee	September 2023	
Sally Thomas	ClwydAlyn Board, People Committee	September 2023	
Bethan Smith	ClwydAlyn Board, Assurance Committee	September 2023	
Tania Silva	ClwydAlyn Board and Property Committee	September 2023	
Brian Strefford	ClwydAlyn Board and Resident Committee	September 2023	

Independent Committee Members

Name and Committee	Appointed
Debbie Attwood – People Committee	November 2019
Michael Larkin – Property Committee	June 2021
Eileen Smith-Hughes – People and Property Committee	September 2022
Lorraine Orger – Chair Staff Forum	October 2022
Jason Davies – Assurance Committee	September 2023
Jen Griffiths – Assurance Committee	September 2023
Nik Evans – Property Committee	October 2023
Tom Bishop – Vice-Chair Staff Forum	November 2023

Residents' Committee Members

Name	Appointed
Peter Smith-Hughes - Resident Committee Chair and Board	January 2018
Brian Strefford - Vice Chair, Resident Committee, ClwydAlyn Board and Property Committee	January 2018
Carol Quinn – Resident Committee	September 2019

David Perkins – Resident Committee	December 2022
Andrew O'Brian – Resident Committee	June 2023
Ashley Knight – Resident Committee	September 2023
Rachel Masterson – Resident Committee	October 2023

ClwydAlyn is regulated by the Welsh Government. At least annually we are required to produce and submit a self-evaluation which evaluates the quality of our governance, service delivery and financial viability when delivering our purpose and objectives. ClwydAlyn is compliant and green for governance (including tenant services) and financial viability. Our simplified Governance arrangements continue to serve us well; and we now have resident representation on each of our committees with the Chair of the Resident Committee joining the Assurance Committee and the Vice-Chair joining the Property Committee.

Strategic and Operational Risks

Key Business Risks

The current business environment for housing providers remains challenging. Our residents continue to feel the impact of the cost-of-living crisis and the business requirement to decarbonise stock meet WHQS2; building safety requirements and increasing construction costs continue to test the robustness of financial plans.


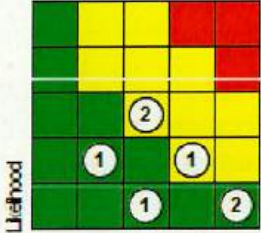

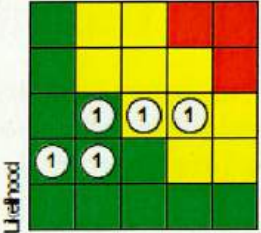

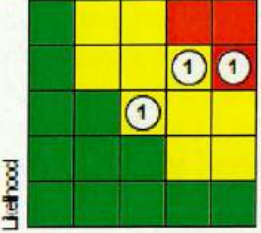

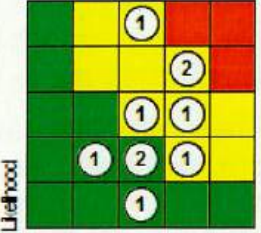
To ensure that we have a proactive and agile approach to our risk management and to protect the long-term success of ClwydAlyn a review of the Strategic and Operational risks is completed at each board cycle. ClwydAlyn has a comprehensive and robust risk management process in place using the three Lines of Defence model. The Board ensures that the framework is appropriate and regularly reviewed. Some risks faced by the Group are not fully controllable, and households and businesses are under more and more financial pressure and having to make decisions on how they budget in the short to medium term.


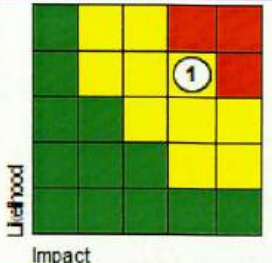
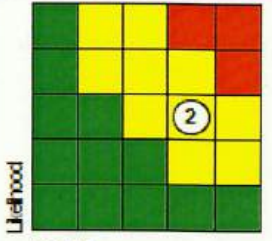
The Executive Team and Board ensure that they are represented and active in all areas of influence and use trade bodies such as Community Housing Cymru to build input and thinking to all relevant aspects of policy, regulation, and legislation.

Risks are categorised as 'Strategic' or 'Operational' and are monitored and reviewed quarterly by the Board and Assurance Committee. The risks that are relevant to each Committee are reported twice a year to them.

The Strategic and Operational risks affecting the Group are summarised below. Risks are categorised based on the likelihood of them occurring and the potential impact should they do so.

There are detailed risk maps supporting each of the strategic risks with specific interventions to mitigate the risk. The underlying key issues to managing the risks are ensuring that agreed mitigating actions are implemented, early warnings and trends are monitored to facilitate early corrective action and regular reviewing of the environment to ensure that any emerging issues affecting the Group's strategy is considered.

Strategic Risk and Operational Risks	Assessment of Risk	Risk Score	of Operational Risks
<p>Treasury</p> <p>Cash Crisis and Inability to Access Finance</p> <p>Non-compliance with Funding Arrangements</p> <p>Failure to meet credit rating requirements</p> <p>Capital/Development delays impacting on income and future investment</p> <p>Treasury Strategy that fails to support the Business Plan</p> <p>Fundamental changes to grant funding and rent increases</p> <p>Failure to meet our financial targets</p>	Medium		
<p>Failure to Deliver the Corporate Plan</p> <p>Reduced Satisfaction - Residents</p> <p>Social Value Implementation and Outcomes not achieved</p> <p>Poverty Priorities not achieved</p> <p>Equality, Diversity, Inclusion, Welsh Language and Culture not embedded</p> <p>Inability to retain the existing workforce and recruit people into vacant roles</p>	Low		
<p>Material Fall in Income or rise in Expenditure</p> <p>Increase in arrears</p> <p>Delays in letting vacant properties</p> <p>Cost of delivering WHQs 2</p>	Medium		
<p>Governance Failure</p> <p>General Data Protection Regulation Compliance</p> <p>WG Regulatory Compliance</p> <p>Non-compliance with Anti-money laundering, FCA and Bribery and Corruption Law</p> <p>Cyber Security</p> <p>Poor regulatory report from CIW</p> <p>Safeguarding failure</p> <p>Poor Business Continuity Planning</p> <p>Data Integrity</p> <p>Board effectiveness</p> <p>Social Partnership and Public Procurement Wales Act 2023</p>	Medium		

<p>Failure to Decarbonise and Respond to Climate Change</p> <p>Insufficient funding to meet future carbon reduction targets</p>	<p>Medium</p>		
<p>Property Compliance</p> <p>Failure to meet Regulatory and Legal Standards through not complying with Health and Safety requirements</p> <p>Renting Homes Wales Act and Fit For Human Habitation</p>	<p>Medium</p>		

Financial Summary

The group's financial highlights for the year

- Retained 'A Stable' credit rating with Standard and Poor's
- Retained A3 rating from Moody's (this is an unsolicited rating) and we were pleased that this moved from 'Negative' to 'Stable' outlook.
- We achieved an Operating Margin of 20%
- Drew down £40m from our bond at advantageous interest rates
- Drew down £4.5m low interest loan from Welsh Government and a further £1.4m interest free loan.
- Received £42m in grants during the year for new build, decarbonisation, fire safety and stock improvement.

Treasury Management

The Treasury Management activities of all members of the Group are controlled by the Executive Director of Resources with detailed scrutiny provided by the Board. The Group employs the services of external consultants (Savills) where appropriate and they have helped to draft the Treasury Management Strategy, which is approved by the Board. The purpose of the treasury management function is to ensure that adequate cost-effective funding is in place to meet the Group's financial obligations and to minimise exposure to financial risk. The function is subject to internal and external audit.

Cash flow forecasting is undertaken on a regular basis. At the end of March 2024 ClwydAlyn's cash and investments totalled £56m. The company also has access to a £25m revolving credit facility with Barclays Bank. We agreed with Barclays to revise the interest cover covenant on this facility, to remove reference to major repairs. The reason for this is that we are receiving more grant funding from Welsh Government to pay for decarbonisation capital projects. The way the covenant was calculated meant that it was adversely affected by the grant, and this was not the intention of the covenant.

The £250m Corporate Bond was initially issued in June 2017 and during 2022 a £150m 'tap' was carried out increasing its value to £400m. As of 31st March 2023, £185m had

been drawn on the bond. A further drawdown was carried out during the year with £20m received in May 23 and £20m in November 23. This meant that £175m would be left undrawn on the bond.

A further £5.9m was secured from Welsh Government via low interest or interest free loans.

The details of drawn facilities at the year-end are as follows:

Loan facility	2023 £'000	2024 £'000
Fixed rate	230,708	272,658
Variable rate	0	0
Total	230,708	272,658
Available unused facilities	25,000	25,000
Average interest rate	3.68%	3.66%

Covenants and Golden Rules

Our bank and other investors impose limits on some of our financial activity. These are known as covenants and are designed to prevent the group from over-stretching itself financially and to protect the money that has been loaned to us. Within its Treasury Strategy, the Group lays out 'Golden Rules'. These are internally imposed limits to ensure that the group does not come close to any of its covenants.

These golden rules and covenants are shown below:

Measure	Limit	Outturn
Interest Cover: RCF Exc. MRI SLI	>150% Covenant >120% Golden rule	RCF Exc. MRI 193% SLI 128%
Gearing (RCF)	<65% Covenant <55% Golden rule	33.04%
Liquidity (short term)	£5m cash available	£55.8m cash held at year end
Liquidity (medium term)	Golden rule – Cash and facilities to cover ClwydAlyn's commitments Credit Agency >150% and increasing	163%
Debt / EBITDA MRI	Credit Agency <20 and reducing	20.8
Debt to Revenue	Credit Agency <5 and reducing	4.7

Business Plan and Stress Testing

In addition to its Treasury Strategy, the group maintains a 30-year business plan which is subject to regular internal review and updating. It is also reviewed annually by external advisers and the Welsh Government as part of their Financial Viability Judgement. This ensures the group can be assured about its ability to operate over the long term and repay loans when they are due.

This plan is subject to an annual stress test to ensure that the company is robust enough to survive any significant financial shocks and has plans in place to deal with them.

During the year, a firm of consultants reviewed the plan to ensure it was accurate and free from any technical errors. We also had a firm of consultants review our Asset Management Plan and compare it to the business plan to ensure it reflected a reasonable view of our future asset expenditure forecasts. Our Treasury Advisers also reviewed the assumptions as part of preparing our Treasury Strategy.

Value for Money

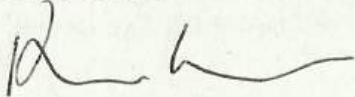
Value for money is key to what we do. If we can ensure that every pound is spent as effectively as possible then we will be able to have a bigger impact on our communities. During the year:

- We spent several months trying to obtain energy discounts for our residents who weren't eligible for the retail discounts offered by the government. This turned out to be very, very complex and involved a lot of work by staff. We were eventually successful and received back-dated discounts totalling over £600k. The majority of these will be passed back to residents, although may simply offset increases in other areas. However, it will still be a major benefit to residents.
- We set up a new group to review our most expensive voids, understand the reasons behind them and more quickly come to decisions about investment. We have also been successful in accessing £3.6m from several rounds of Transitional Accommodation Capital Programme funds that allowed us to fully refurbish some of our worst stock.
- During the year we handed over 180 new homes to tenants and at the end of the year were on-site with around 500. All of these have attracted social housing and other grants totalling over £31m. All our new builds are EPC A rated (although we have some that were purchased with TACP funds that are at EPC B). One of our contractors was late in delivering projects and as such we have issued them with 'pay less' notices meaning we will look to recoup lost rent from them.
- Our Parity software is now being used to identify the most efficient pathway to make our homes as energy efficient as possible and during the year we spent around £1.8m of Optimised Retrofit grant to provide energy efficiency works to our homes. We were successful in obtaining a further £2m of ORP funds for the coming year. We also commissioned our new joint venture, Onnen, to carry out surveys and install batteries for us.
- Successful procurements carried out during the year include healthcare agency staffing – A new contract started in October 2023. Based on the initial six months to April 2024 savings were approx. £73k which over 2024/25 would be a minimum saving of £140k. We awarded the contract to a local / regional supplier and will develop a strong relationship to ensure robust contract management, timely resolution of any issues and use data analysis and reporting to manage the usage

of agency proactively to ensure that it is the last available option. We will also identify any issues in our services with staffing including absence/sickness, recruitment, and retention so we can minimise agency usage and deliver significant additional savings, including agency staff moving from temporary to permanent.

- The implementation of new Housing Management System has been completed and is in use and the asset management element of it will be implemented during the summer.

**The Strategic Report was approved by the Board on 5th September 2024
and signed on its behalf by:**



**Rachel Storr Barber
Secretary**

Statutory, Regulatory and Other Information

Executive management

The Group Board delegates day-to-day management of activities to the Group Chief Executive, Clare Budden, who is responsible for ensuring that the organisation has appropriate executive arrangements in place to meet Group objectives and targets, and that those arrangements reflect the complex needs of the business, including financial performance, capital investment, compliance, growth and business planning. The Chief Executive is supported by the Executive Leadership Team comprising six Executive Directors (as at 31st March 2024). One Executive Director retired in April 2024, a second is leaving in July and a third is due to step down in September 2024. The Executive Team will be restructured and reduced by one as a result.

Audit

Beevers and Struthers provides external audit services and RSM performs internal audit services. There is an annual review of the performance of the audit functions carried out by the Assurance Committee.

Group Financial Statements

The Financial Statements for the Group consist of the financial results of the Association and its subsidiary undertakings, which have been consolidated in accordance with the relevant financial reporting standards.

Rent

The Group has various types of housing tenancies, the rents for which are set in accordance with the regulatory framework for social housing in Wales.

Health and Safety

It is the clear intention of the Group to ensure, as far as reasonably practicable, the health, safety, and welfare at work of all its employees. The Group undertakes to comply, as a minimum, with the provisions of the Health and Safety at Work Act 1974 and other relevant legislation to meet the objective of achieving the highest possible standards.

Political and charitable donations

The Group made no donations to political organisations (2023: none). The Group made donations to charitable organisations of £75k (2023: £100k).

Employee engagement

We have an established Staff Forum that represents staff views on a variety of matters, the Forum is comprised of Staff Representatives and Staff Champions and has been established for two years; we recognise the role of the group has changed over that time. As we move into next year, we will work with our staff representatives to ensure the arrangements meet the needs of our staff moving forward.

Ethical business

The Group is committed to conducting its business in an ethical and responsible manner. This involves making decisions which are not purely based on economic considerations, but also social and environmental impacts. Our Poverty priorities of Food, Fuel, Digital Inclusion and Employability are key considerations when we work with our Development Partners and Suppliers. During the year we issued our ESG report reflecting the work we have done round our wider Environmental, Social and Governance agenda.

We understand the requirements under the Modern Slavery Act are likely to be strengthened, during the year we have been working with our larger suppliers to understand how they manage this risk within their business. We are also working with Business Wales to raise awareness of this area. Our modern slavery statement is available on our website

Equality and diversity

Through social media, our website and our internal communication channels, we have supported and promoted Black History Month which included a 'Let's Talk' session with Bernie Davies exclusively for ClwydAlyn staff with 75 members of staff in attendance, International Women's Day where we shared how we inspire inclusion at ClwydAlyn, Neurodiversity Week and Business in the Community's Age At Work sessions which have included Mid-career Review Webinars that focus on finance, health and wellbeing and career and work to name a few. We will continue to organise 'Let's Talk' sessions throughout the year, raising awareness of the importance of inclusion, ensuring that we are continuing to develop knowledge and understanding through lived experiences, in turn creating a more innovative and open culture for all.

We have reviewed the current structure, terms of reference and objectives of the Inclusion Network and continued to reinforce the connections across the organisation so that the Inclusion Network has greater influence in key decisions and plans. This has allowed us to work more seamlessly together, support one another and become more productive as a result.

As we move into 2024/25 financial year, our priorities are to continue our focus on gathering data to enable our service improvements to be made through the lens of equality. To ensure we embed a culture of inclusion, and our workforce reflects the communities we support, our approach to recruitment is also a focus for next financial year.

ClwydAlyn employ 750 staff across a wide variety of roles including across Care, Trades, Housing and Homeless Services; our workforce profile is two thirds female and one third male. We pay market median salaries along with the Real Living Wage. Our mean gender pay gap in April 2023 was 15.29% (2022:17.42%); our median gender pay gap was 16.89% (2022: 20.13%).

Events after the reporting period

There were no events after the reporting period.

Internal Controls

The Group Board is ultimately responsible for ensuring that the Group maintains a system of internal control that is appropriate to the various business environments in which it operates. Internal control systems are designed to meet the needs of the Group and the risks to which it is exposed. The controls by their nature can provide reasonable but not absolute assurance against material misstatement or loss.

The Group Board has established key procedures to provide internal control and there are clear lines of responsibility for the creation and maintenance of the procedures through the scheme of delegation. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within ClwydAlyn or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposition.

Major business risks are identified through a system of continuous monitoring. The financial control framework includes the following key features:

- the Group Board being directly responsible for strategic risk management.
- the adoption of formal policies and procedures including documentation of key systems and rules relating to a delegation of authorities which allows the monitoring of controls and restricts the unauthorised use of the Group's assets.
- experienced and suitably qualified staff being responsible for important business functions. Annual appraisal procedures have been established to maintain standards of performance.
- executives to monitor the key business risks and financial objectives allowing the Group to progress towards its financial plans set for the year and the medium-term. Regular management accounts are prepared promptly providing relevant, reliable, and up-to-date financial and other information including significant variances from targets which are investigated as necessary.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures.
- the Assurance Committee reviews reports from management, and auditors to provide reasonable assurance that control procedures are in place and are being followed.
- Internal and external auditors both provide an annual opinion on the internal controls and financial statements.

On behalf of the Group Board, the Assurance Committee has reviewed the effectiveness of the systems of internal control in existence in the Group for the year ended 31 March 2024 and is not aware of any material changes at the date of signing the Financial Statements.

Arrangements for Managing the Risk of Fraud

The Group has robust arrangements in place for managing the risk of fraud. These include:

- Prevention - the Group seeks to generate a strong anti-fraud culture supported by appropriate controls over operational and employment systems.
- Detection - the Group has implemented comprehensive systems and procedures to detect evidence of fraud and to facilitate and encourage the reporting of fraud.
- Investigation - the Group follows a comprehensive Group investigation and reporting.
- Insurance - the Group has appropriate insurance cover in place to mitigate the potential financial losses associated with fraud.

Going Concern

The Group Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least twelve months from the date of this report. Accordingly, it continues to adopt the going concern basis in preparing the Group and Association's Financial Statements. The Board of Management present their report and the financial statements for the year ended 31st March 2024.

Statement of Board's Responsibilities in Respect of the Annual Report and Financial Statements

The board members are responsible for preparing the report of the board of management and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Societies law and social housing legislation require the board members to prepare the financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers (Update 2018) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers (Update 2018).

Disclosure of Information to the Auditor

In the case of each of the persons who are Board members of the Society at the date when this report was approved:

- so far as each of the Board members are aware, there is no relevant audit information (as defined in the Co-operative and Community Benefit Societies Act 2014) of which the Society's auditors are unaware; and
- each of the Board members has taken all the steps that they ought to have taken as a director to make them aware of any relevant audit information (as defined) and to establish that the Society's auditors are aware of that information.

AUDITOR: Beevers and Struthers.

BY ORDER OF THE BOARD DATED: 5th September 2024

Rachel Storr Barber - Company Secretary

Independent Auditor's Report to the Members of ClwydAlyn Limited

Opinion

We have audited the financial statements of ClwydAlyn Limited ('the Association') and its subsidiaries ('the Group') for the year ended 31 March 2024 which comprise the Group and Association Statement of Comprehensive Income, Group and Association Statement of Changes in Reserves, Group and Association Statement of Financial Position, Group Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. 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 Group's and of the Association's affairs as at 31 March 2024 and of the Group's and Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, 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 Group and 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's or the 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 other information comprises the information included in the Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of ClwydAlyn Limited (continued)

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 in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Opinion on other matters prescribed by the housing association circular RSL 02/10: Internal Controls and Reporting

With respect to the Board's statement on internal financial controls on pages 27 to 28, in our opinion:

- The Board have provided the disclosures required by the housing association circular RSL 02/10: Internal Controls and Reporting; and
- The Board's statement is not inconsistent with the information of which we are aware from our audit work on the financial statements.

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 26, 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 Group's and 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 Group or the Association or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report to the Members of ClwydAlyn Limited (continued)

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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, regulations and guidance that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Co-operative and Community Benefit Societies Act 2014, 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 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 regulated nature of the Group's activities.
- We reviewed financial statements disclosures and 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.

Independent Auditor's Report to the Members of ClwydAlyn Limited (continued)

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 our report

This report is made solely to the Association's members as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 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 it 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.

Beever and Struthers

Beever and Struthers
Statutory Auditor
One Express,
1 George Leigh Street,
Manchester,
M4 5DL

Date: 16 September 2024

CLWYDALYN HOUSING LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	2024 £'000	2023 £'000
TURNOVER	3	57,911	52,524
Operating costs	3	(47,172)	(43,178)
Surplus on sale of fixed asset properties	5	758	733
Transfer of Engagements		1,127	-
OPERATING SURPLUS		12,624	10,079
Interest receivable and similar income		1,591	200
Interest payable and similar charges	6	(8,504)	(7,458)
Share of operating surplus in joint venture		3	-
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		5,714	2,821
Tax on surplus on ordinary activities	7	(4)	(30)
SURPLUS FOR THE YEAR		5,710	2,791
OTHER COMPREHENSIVE INCOME			
Actuarial (loss) in respect of pension scheme	19	(1,333)	(1,005)
TOTAL COMPREHENSIVE INCOME		4,377	1,786

The Group's turnover and expenses all relate to continuing operations.

GROUP STATEMENT OF CHANGES IN RESERVES

	Income and expenditure reserve £'000	Total reserves £'000
At 1 April 2022	16,676	16,676
Surplus and total comprehensive income for the year	1,786	1,786
At 31 March 2023	18,462	18,462
Surplus and total comprehensive expenditure for the year	4,377	4,377
At 31 March 2024	22,839	22,839

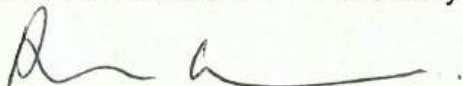
Cris McGuinness - Chair



Hayley Hulme - Vice Chair



Rachel Storr Barber - Secretary



CLWYDALYN HOUSING LIMITED

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	2024 £'000	2023 £'000
TURNOVER	3	59,681	54,021
Operating costs	3	(48,944)	(44,677)
Surplus on sale of fixed asset properties	5	758	733
Transfer of Engagements		1,127	-
OPERATING SURPLUS		12,622	10,077
Interest receivable and similar income		1,592	200
Interest payable and similar charges	6	(8,504)	(7,458)
Gift Aid Receivable		337	480
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		6,047	3,299
Tax on surplus on ordinary activities	7	(4)	(5)
SURPLUS FOR THE YEAR		6,043	3,294
OTHER COMPREHENSIVE INCOME			
Actuarial (loss) in respect of pension scheme	19	(1,333)	(1,005)
TOTAL COMPREHENSIVE INCOME		4,710	2,289

The Company's turnover and expenses all relate to continuing operations.

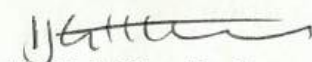
ASSOCIATION STATEMENT OF CHANGES IN RESERVES

	Income and expenditure reserve £'000	Total reserves £'000
At 1 April 2022	19,000	19,000
Surplus and total comprehensive income for the year	2,289	2,289
At 31 March 2023	21,289	21,289
Deficit and total comprehensive expenditure for the year	4,710	4,710
At 31 March 2024	25,999	25,999

Cris McGuinness - Chair



Hayley Hulme - Vice Chair



Rachel Storr Barber - Secretary



CLWYDALYN HOUSING LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

IP 22360R

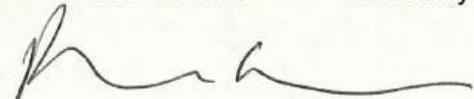
	Notes	2024 £'000	2023 £'000
FIXED ASSETS			
Tangible assets			
Housing properties - Cost	11	652,417	590,957
- Depreciation	11	(78,322)	(73,440)
		<u>574,095</u>	<u>517,517</u>
Other tangible fixed assets	12	5,425	5,386
FIXED ASSET INVESTMENTS			
Homebuy loan	13	3,118	3,208
		<u>582,638</u>	<u>526,111</u>
CURRENT ASSETS			
Stocks	14	450	445
Debtors – due after one year	15	3,154	3,248
Debtors – due within one year	15	5,316	5,166
Investments	16	65	66
Cash at bank and cash equivalents		55,840	22,060
		<u>64,825</u>	<u>30,985</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	17	(22,056)	(20,299)
NET CURRENT ASSETS		<u>42,768</u>	<u>10,686</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>625,406</u>	<u>536,797</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	18	(597,180)	(513,241)
PROVISION FOR LIABILITIES			
Pension – Defined Benefit Liability	19	(5,387)	(5,093)
DEFERRED TAXATION	22	-	-
NET ASSETS		<u><u>22,839</u></u>	<u><u>18,462</u></u>
CAPITAL AND RESERVES			
Non-equity share capital	23	-	-
Reserves		22,839	18,462
		<u><u>22,839</u></u>	<u><u>18,462</u></u>

The financial statements on pages 34 to 66 were approved by the Board of Management on 5th September 2024 and were signed on its behalf by:

Cris McGuinness - Chair


Hayley Hulme - Vice Chair


Rachel Storr Barber - Secretary



CLWYDALYN HOUSING LIMITED


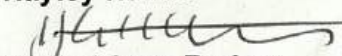
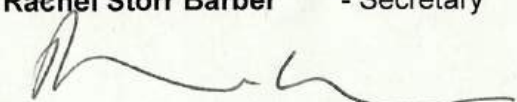
ASSOCIATION STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

IP 22360R

	Notes	2024 £'000	2023 £'000
FIXED ASSETS			
Tangible assets			
Housing properties - Cost	11	655,593	593,802
- Depreciation	11	(78,322)	(73,440)
		<u>577,271</u>	<u>520,362</u>
Other tangible fixed assets	12	5,425	5,386
FIXED ASSET INVESTMENTS			
Homebuy loan	13	3,118	3,208
Investments	27	50	50
		<u>585,864</u>	<u>529,006</u>
CURRENT ASSETS			
Stocks	14	450	445
Debtors – due after one year	15	3,154	3,248
Debtors – due within one year	15	5,245	4,637
Investments	16	65	66
Cash at bank and cash equivalents		55,839	22,047
		<u>64,752</u>	<u>30,442</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	17	(20,783)	(19,298)
NET CURRENT ASSETS		<u>43,969</u>	<u>11,146</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>629,833</u>	<u>540,151</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	18	(598,447)	(513,769)
PROVISION FOR LIABILITIES			
Pension – Defined Benefit Liability	19	(5,388)	(5,093)
DEFERRED TAXATION	22	-	-
NET ASSETS		<u>25,999</u>	<u>21,289</u>
CAPITAL AND RESERVES			
Non-equity share capital	23	-	-
Reserves		25,999	21,289
		<u>25,999</u>	<u>21,289</u>

The financial statements on pages 34 to 66 were approved by the Board of Management on 5th September 2024 and were signed on its behalf by:

Cris McGuinness - Chair

 Hayley Hulme - Vice Chair

 Rachel Storr Barber - Secretary


CLWYDALYN HOUSING LIMITED
GROUP STATEMENT OF CASH FLOWS
For the year ended 31 March 2024

	2024	2023
	£'000	£'000
Cash from operating activities		
Surplus / (deficit) for the financial year	4,377	1,786
Depreciation of fixed assets	6,852	6,175
Impairment losses	-	-
Amortised grant	(1,887)	(1,857)
Interest payable	8,504	7,458
Interest received	(1,591)	(200)
Tax on surplus for the year	4	30
(Increase) / decrease in trade and other debtors	(56)	778
Increase / (decrease) in trade and other creditors	4,559	(1,082)
(Increase) / decrease in stocks	(5)	(91)
Increase / (decrease) in provisions	295	(60)
Add back deficit / (surplus) on sale of fixed assets	(758)	(733)
Difference between pension expense /cash contribution	(1)	(2)
Cash from operations	20,293	12,202
Taxation paid	(3)	(30)
Net cash generated from operating activities	20,290	12,172
Cash flow from investing activities		
Purchase of fixed assets – housing properties	(62,972)	(52,090)
Purchase of fixed assets – other	(776)	(802)
Proceeds from sale of fixed assets	1,568	3,404
Grants received	41,846	35,830
Grants repaid	(134)	(325)
Interest received	1,591	200
Net cash from investing activities	(18,877)	(13,783)
Cash flows from financing activities		
Interest paid and loan breakage costs	(9,036)	(8,201)
New loans	43,272	0
Loans repaid	(1,949)	(4,260)
Debt issue costs incurred	80	(231)
Net cash used in financing activities	32,367	(12,692)
Net increase in cash and cash equivalents	33,780	(14,303)
Cash and cash equivalents at beginning of year	22,060	36,363
Cash and cash equivalents at the end of the year	55,840	22,060
Free cash flow		
Net cash generated from operating activities,	20,290	12,172
Interest paid	(9,036)	(8,201)
Interest received	1,591	200
Adjustments for reinvestment in existing properties:		
Component replacements	(4,008)	(3,933)
Free cash generated before loan repayments	8,837	238
Loans repaid	(1,949)	(4,260)
Free cash generated after loan repayments	6,888	(4,022)

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

LEGAL STATUS

Clwyd Alyn Housing Association Limited is incorporated in Wales under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Welsh Government as a Registered Social Landlord. The registered office is 72 Ffordd William Morgan, St Asaph Business Park, St Asaph, Denbighshire, LL17 0JD.

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Applicable Accounting Standards in the United Kingdom and in accordance with the Accounting Requirements for Registered Social Landlords (General Determination) Wales 2015, and the 2018 Statement of Recommended Practice, "Accounting by Registered Social Housing Providers" issued by the National Housing Federation.

The association is a Public Benefit Entity (PBE) and has applied the provisions for FRS102 specifically applicable to PBE's. The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and are presented in sterling £'000 for the year ended 31 March 2024.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires the Company's management to exercise judgement in applying the Company's accounting policies (Note 2).

The following principal accounting policies have been applied:

Basis of preparation and going concern

After reviewing the Group's and Company's forecasts and projections, the Board has a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. The Group and Company therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of consolidation

The Group financial statements consolidate the financial statements of the company and its subsidiary undertakings made up to 31 March 2024.

Subsidiaries are included in the financial statements using the acquisition method of accounting. Accordingly, the group statement of comprehensive income and cash flows statement include the results and cash flows of subsidiaries for the period since their acquisition. Purchase consideration is allocated to assets and liabilities on the basis of fair value at the date of acquisition.

1 ACCOUNTING POLICIES (Continued)

Turnover

Turnover represents rents, service charge, net of empty property voids, revenue grants receivable in respect of tenanted properties, amortisation of grants and other sundry income. All turnover is derived from operations within Wales. Rental income is recognised from the point when properties under development reach practical completion and are formally let. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

Government grants

Grants received in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the balance sheet and released to the statement of comprehensive income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with the Housing SORP 2018 the useful economic lives of the housing property structure is 125 years which is in line with the rate of depreciation for housing structures as detailed in the depreciation table below. Where social housing grant funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the statement of comprehensive income.

Grants for revenue expenditure are recognised in comprehensive income over the same period as the expenditure to which they relate once performance related conditions have been met.

Grants due from government or received in advance are included as current assets or liabilities.

Fixed asset investments - Homebuy loans

Under the Homebuy Option the Association advances 30% of the value or cost of the property to a purchaser. The advance is secured by a second charge on the property. This loan is financed in full by SHG from the Welsh Government.

When a property is sold 30% of the sales proceeds or the loan (whichever is lower) are recovered and the equivalent grant repaid. The grant is held within creditors until repaid.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Investments held as current assets are stated at the lower of cost and net realisable value.

1 ACCOUNTING POLICIES (Continued)

Operating leases

Rental payable under operating leases are charged on a straight-line basis over the term of the lease.

Shared ownership sales – first tranche

Low-cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as current asset and related sales proceeds included in turnover. The remaining element is included in completed housing property at cost. Sales of subsequent tranches are treated as a part disposal of property plant and equipment. Such stair-casing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Interest charges incurred on the financing of housing properties are capitalised up to the date of practical completion. Interest charges arising after that date are charged to the statement of comprehensive income.

Retirement benefits

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

1 ACCOUNTING POLICIES (Continued)**Depreciation**

Depreciation is calculated to write off the cost less estimated residual value of fixed assets on a straight-line basis over their estimated useful lives.

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in the periods in which economic benefits are expected to be consumed.

Housing land and property is split between land, structure and other major components that are expected to require replacement over time. Land is not depreciated on account of its indefinite useful economic life.

Depreciation of the structure is charged so as to write down the cost of freehold housing properties, other than freehold land, to their estimated residual value on a straight-line basis over their expected useful economic lives. Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the properties to which they relate, if shorter, at the following annual rates:

Structure	125 years
Roofs	75 years
Kitchens – general needs	25 years
Kitchens – supported needs	10 years
Kitchens – hostels & homeless	6 years
Bathrooms – general needs	25 years
Bathrooms – supported needs	15 years
Bathrooms – hostels & homeless	8 years
Doors – general needs / supported needs	25 years
Doors – hostels & homeless	20 years
Windows – general needs / supported needs	30 years
Windows – hostels & homeless	25 years
Fire Systems – general needs / supported needs	20 years
Fire Systems – hostels & homeless	10 years
Boilers	15 years
Solar Panels	25 years
Internal and External Wall Insulation	30 years
Ground Source Heat Pumps	25 years
Air Source Heat Pumps	20 years
Infrared Heating	40 years
Hot Water Cylinders	40 years
Property Rewires	30 years

The group has an active asset management strategy whereby all units with voids over six weeks are reviewed. Impairment reviews have been undertaken on schemes where voids are known to be particularly high over a sustained period of time. The group looks at the net realisable value, under the options available, when considering the recoverable amount for the purpose of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit.

1 ACCOUNTING POLICIES (Continued)

The group defines cash generating units as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to income and expenditure.

Depreciation on other fixed assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Offices	50 years
Fixtures and fittings	10 years
Computer equipment	5 years
Computer software	10 years
Vehicles	7 years

Tangible fixed assets – Housing Properties

Housing properties constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment (where applicable).

The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development. The directly attributable costs include the labour costs of the group's own employees which arise directly from the construction or acquisition of the property, along with the incremental costs which would have been avoided if the property had not been constructed or acquired.

Directly attributable costs of acquisition include capitalised interest calculated, on a proportional basis, using finance costs on borrowing which has been drawn in order to finance the relevant construction or acquisition. Where housing properties are in the course of construction, finance costs are only capitalised where construction is on-going and has not been interrupted or terminated.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

1 ACCOUNTING POLICIES (Continued)

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Debtors and creditors

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

Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of three months or less.

Recoverable amount of rental and other trade receivables

The group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

Loans, investments and short-term deposits

All loans, investments and short-term deposits held by the group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the group has determined that the difference between the historical cost and amortised cost basis is not material except for inflation indexed loans. Therefore, the non-indexed loans are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Stocks

Stocks represent tools and equipment held for maintenance and repairs. Stock is stated at the lower of cost and net realisable value.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured as the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

1 ACCOUNTING POLICIES (Continued)

Contingent liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources, or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made. A contingent liability exists on grant repayment which is dependent on the disposal of related property.

JUDGEMENTS IN APPLYING POLICIES

In preparing these financial statements, the key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The members have considered the measurement basis to determine the recoverable amount of the assets where there are indicators of impairment based on EUV-SH (existing use value social housing) or depreciated replacement cost. The members have also considered impairment based on their assumptions to define cash or asset generating units.
- The anticipated costs to complete on a development scheme based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, they then determine the recoverability of the cost of properties developed for sale. This judgement is also on the member's best estimate of sales value based on economic conditions within the area of development.
- The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.
- What constitutes a cash generating unit when indicators of impairment require there to be an impairment review.
- The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments, where a financing transaction, are initially recognised at fair value including any premium or discount on issue and subsequently measured at amortised cost using the effective interest method.

2. KEY SOURCES OF ESTIMATION UNCERTAINTY

- The appropriate allocation of costs for mixed tenure developments; and furthermore, the allocation of costs relating to shared ownership between current and fixed assets.
- The estimate for rental and other trade receivables relates to the recoverability of the balance outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.
- Defined benefit pension obligations. Management's estimate of the defined benefit obligations is based on a number of critical underlying assumptions such as the standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the obligation amount and the annual defined benefit expenses (as analysed in Note 19). The liability as at 31 March 2024 was £5.388 million. The valuation of the pension fund assets is based on actual March 2024 Data.
- Defined benefit pension obligations. 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 it being unlikely to be resolved before the end of 2025 at the earliest. 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 at 30 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 these financial statements in respect of this.

CLWYDALYN HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

3. GROUP	2024		2023			
	Turnover	Operating costs	Operating surplus/ (deficit)	Turnover	Operating costs	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (Note 4)	56,913	(46,968)	9,945	51,660	(42,969)	8,691
Other social housing activities						
First tranche property sales	-	-	-	-	-	-
Sales and marketing	28	-	28	51	-	51
Development overheads written off	-	23	23	-	26	26
Other	693	-	693	503	-	503
Non-social housing activities						
Lettings	220	(125)	95	249	(134)	115
Other	58	(104)	(46)	60	(102)	(42)
Total	57,911	(47,172)	10,739	52,524	(43,179)	9,345

Operating surplus in Statement of Comprehensive Income of £12.624m includes gains of £758k (2023: £733k) on disposal of housing properties and gain on transfer of engagement of £1.127m (2023: £0).

CLWYDALYN HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

3. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS / (DEFICIT) ASSOCIATION	2024		2023	
	Turnover £'000	Operating costs £'000	Operating surplus/ (deficit) £'000	Operating surplus/ (deficit) £'000
Social housing lettings (Note 4)	56,913	(46,968)	9,945	8,691
Other social housing activities				
First tranche property sales	-	-	-	-
Sales and marketing	28	-	28	51
Development Services	1,770	(1,744)	26	(1,475)
Development overheads written off	-	23	23	26
Other	693	-	693	503
Non-social housing activities				
Lettings	220	(124)	96	(134)
Other	58	(131)	(73)	(124)
Total	59,681	(48,944)	10,738	9,344

Operating surplus in Statement of Comprehensive Income of £12.622m includes gains of £758k (2023: £733k) on disposal of housing properties and gain on transfer of engagement of £1.127m (2023: £0).

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

4. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

GROUP and COMPANY

	General needs and sheltered housing £'000	Supported housing £'000	Other social housing letting income £'000	2024 Total £'000	2023 Total £'000
Income					
Rents receivable	29,371	1,130	2,926	33,427	30,483
Service charges receivable	5,924	2,637	7,423	15,984	13,079
Income for support services	55	4,664	385	5,104	5,763
Other income from lettings	203	46	4	253	448
Amortised grants	2,017	63	64	2,145	1,887
Turnover from social housing lettings	37,570	8,540	10,802	56,913	51,660
Cost					
Management costs	5,876	467	1,873	8,215	7,378
Service costs	9,242	5,814	6,798	21,855	20,612
Routine maintenance	6,982	291	448	7,721	7,244
Major repairs expenditure	2,727	5	11	2,743	2,084
Bad debts	155	139	25	319	227
Depreciation of housing properties	5,598	262	255	6,115	5,424
Impairment of housing properties	0	0	0	0	0
Operating costs on social housing activities	30,580	6,978	9,410	46,968	42,969
Operating surplus on social housing lettings	6,990	1,563	1,392	9,945	8,691
Void Losses					
Rent loss due to voids	587	49	466	1,102	627
Service charge loss due to voids	228	103	2	334	304
Total Void Loss	815	152	468	1,436	931

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

5. SALES OF FIXED ASSET PROPERTIES

	Shared ownership further tranches	Right to Buy & to Acquire & Other	Total 2024	Total 2023
GROUP and COMPANY	£'000	£'000	£'000	£'000
Proceeds of sales	916	787	1,703	2,086
Cost of sales: NBV	(365)	(580)	(945)	(1,353)
Surplus	<u>551</u>	<u>207</u>	<u>758</u>	<u>733</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2024	2023
GROUP and COMPANY	£'000	£'000
Bank loans, overdrafts, and other loans:		
- by instalments	8,726	7,901
- other than by instalments	92	173
Interest on DB pension scheme liabilities	218	127
	<u>9,036</u>	<u>8,201</u>
Less: Capitalised	(532)	(743)
Total Interest Payable	<u><u>8,504</u></u>	<u><u>7,458</u></u>

The sum for capitalised interest relates to loans which are fixed rate. The average rate for the period was 3.66% (2023: 3.68%).

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

7. TAXATION

	2024 £'000	2023 £'000
GROUP		
UK Corporation tax charge for the year	4	6
Adjustments in respect of prior years	(2)	24
Total current tax charge for the year	2	30
Deferred tax charge / (credit) for the year	-	-
Total deferred tax charge / (credit) for the year (note 22)	-	-
Total tax charge for the year	2	30
Factors affecting the current tax charge for the year:		
(Loss) / profit for the year before taxation	5,710	2,791
Tax on (loss) / profit on ordinary activities at 25% (2023: 19%)	1,428	530
Fixed assets differences	-	1,011
Income / expenses not deductible for tax purposes	(1,349)	(1,457)
Adjust deferred tax to average rate	-	-
Amounts charged/(credited) directly to STRGL or transferred	-	(80)
Other permanent differences	(83)	-
Adjustments in respect of prior years	(2)	37
Group relief surrendered/(claimed)	-	-
Deferred tax not recognised	9	(87)
Remeasurement of deferred tax rate	-	77
Marginal Relief	(1)	-
Total tax charge for the year	2	30
COMPANY		
UK Corporation tax at 25% (2023 19%)	2	5
Adjustments in respect of prior years	2	-
Total current tax charge for the year	4	5
Deferred tax origination and reversal of timing differences	-	-
Total deferred tax charge / (credit) for the year (note 22)	-	-
Total tax charge for the year	4	5
Factors affecting the current tax charge for the year:		
Profit for the year before taxation	5,727	3,294
Current tax payable at 25% (2023: 19%)	1,432	626

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

7. TAXATION (Continued)

	2024	2023
	£'000	£'000
Fixed asset differences	-	1,011
Expenses not deductible for tax purposes	13,880	8,724
Income not deductible for tax purposes	(15,316)	(10,358)
Amounts (charged)/credited to STRGL or transferred	-	-
Adjustments to tax charge in respect of previous periods	(2)	(2)
Remeasurement of deferred tax rate	-	77
Deferred tax not recognised	8	(73)
Group relief surrendered/(claimed)	-	-
Total tax charge for the year	2	5

8. AUDITOR REMUNERATION

	2024	2023
	£'000	£'000
GROUP		
In their capacity as auditor (excluding VAT)	65	58
In respect of other services (excluding VAT)	3	3
COMPANY		
In their capacity as auditor (excluding VAT)	40	42
In respect of other services (excluding VAT)	3	3

9. STAFF COSTS

GROUP and COMPANY	2024	2023
	£'000	£'000
Staff costs including directors:		
Wages and salaries	20,150	18,749
Social security costs	1,810	1,715
Other pension costs	997	976
	22,957	21,440

Average number of full-time equivalent persons (including executive directors) employed during the year:

	Number	Number
Office staff	122	120
Housing staff	52	50
Care staff	479	481
Maintenance	113	112
Total employees	766	763
Total employees at the year end	765	747

CLWYDALYN HOUSING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 March 2024****10. KEY MANAGEMENT PERSONNEL REMUNERATION**

Key management personnel comprise the executive and non-executive directors.
Total remuneration amounted to £919k, (2023: £876k).

GROUP AND COMPANY	2024	2023
	£'000	£'000
Remuneration for executive directors for the year ended 31 March 2024	840	807

The remuneration for executive directors disclosed above include pension contributions.

Non-executive Board Member remuneration for the year ended 31 March 2024:	2024	2023
	£'000	£'000
Sandy Mewies	5	5
Stephen Porter	6	10
Paul Robinson	4	6
Frazer Jones	3	5
Sara Mogel	4	6
Eileen Smith-Hughes	-	5
Nia Hughes	5	5
Rob Morton	8	5
Peter Smith-Hughes	8	5
Hayley Hulme	7	6
Roger Rowett	7	5
Sheila Powell	2	5
Brian Strefford	5	-
Sally Thomas	3	-
Tania Silva	3	-
Cris McGuinness	6	-
Bethan Smith	3	-
	79	68

Non-executive Board Members receive remuneration for services only and there is no pension liability.

The highest paid executive excluding pension contributions.	146	138
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The Chief Executive is an ordinary member of the pension scheme, and no enhanced or special terms apply.

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

10. KEY MANAGEMENT PERSONNEL REMUNERATION (Continued)

The full-time equivalent number of key management personnel whose remuneration payable in the period fell within the following bands was:

	2024	2023
£80,000 - £89,999	-	1
£90,000 - £99,999	2	1
£100,000 - £109,999	1	2
£110,000 - £119,999	1	1
£120,000 - £129,999	1	1
£130,000 - £139,999	1	-
£170,000 - £179,999	1	1

Remuneration of senior personnel includes the employer contribution to pension costs plus a contribution towards the deficit in the closed Defined Benefit pension scheme.

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

11. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

GROUP and COMPANY	Housing properties held for lettings £'000	Housing properties in the course of construction £'000	Completed shared ownership housing properties £'000	Total £'000
COST				
At 1 April 2023	487,722	81,473	21,761	590,957
Additions – components	2,623	963	690	4,276
Transfers - components	1,862	(1,862)	-	0
Additions	1,360	57,354	514	59,227
Reclassification	(1,211)	-	1,211	0
Disposals components	(934)	-	(13)	(947)
Disposals - other	(709)	-	(388)	(1,097)
Schemes completed	51,204	(51,204)	-	-
At 31 March 2024	<u>541,916</u>	<u>86,724</u>	<u>23,776</u>	<u>652,416</u>
DEPRECIATION AND IMPAIRMENT				
At 1 April 2023	69,262	-	4,178	73,440
Charge for the year	5,861	-	255	6,115
Adjustments	-	-	80	80
Disposals	(1,235)	-	(78)	(1,234)
At 31 March 2024	<u>73,888</u>	<u>-</u>	<u>4,434</u>	<u>78,322</u>
NET BOOK VALUE				
At 31 March 2024	<u>468,029</u>	<u>86,725</u>	<u>19,342</u>	<u>574,095</u>
At 31 March 2023	<u>418,460</u>	<u>81,473</u>	<u>17,583</u>	<u>517,517</u>

All housing properties are freehold.

Surpluses totalling £3,176m generated by Tir Tai (development subsidiary) though recharges to ClwydAlyn (parent company) have been consolidated out of the Group's housing property costs. Maintenance expenditure of £4.008m was capitalised to existing properties in the year (2023 £3.933m).

Total maintenance expenditure to existing properties of £10.464m (2023 £9.33m) was charged to the Income and Expenditure account in the year. Interest charges incurred on the financing of housing properties are capitalised up to the date of practical completion. The cumulative interest and finance charges included in housing properties at cost amounted to £5.082m (2023 £4.57m).

The carrying amount of the housing properties that have been pledged as security for the housing loans (including undrawn facilities) is £287m (2023 £282m).

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

12. TANGIBLE FIXED ASSETS – OTHER

GROUP and COMPANY	Freehold offices £'000	Fixtures & fittings £'000	Computer Equipment & software £'000	Vehicles £'000	Total £'000
COSTS					
At 1 April 2023	3,756	457	6,781	1,851	12,846
Additions	14	25	381	357	777
Disposal	-	(7)	(746)	(4)	(757)
At 31 March 2024	3,770	475	6,416	2,204	12,866
DEPRECIATION					
At 1 April 2023	1,176	365	4,702	1,217	7,460
Charge for year	77	25	446	188	737
Disposals	-	(7)	(746)	(4)	(756)
At 31 March 2024	1,253	383	4,402	1,401	7,440
NET BOOK VALUE					
At 31 March 2024	2,517	92	2,014	803	5,426
At 31 March 2023	2,580	92	2,080	634	5,386

13. FIXED ASSET INVESTMENTS – HOMEBUY LOANS

GROUP and COMPANY	2024 £'000	2023 £'000
COSTS		
At 1 April	3,208	2,931
Additions in year	-	277
Disposals	(90)	-
At 31 March	3,118	3,208

See note 21 for details of Homebuy grant received from the Welsh Government which was used to fund the Homebuy loans.

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

14. STOCKS

	2024	2023
	£'000	£'000
GROUP and COMPANY		
Stock of tools & repairs equipment	450	445

15. DEBTORS

	2024	2023
	£'000	£'000
GROUP		
Amounts falling due after one year:		
Grants receivable	3,154	3,248
Amounts falling due within one year:		
Rental debtors	2,724	2,725
Less: provisions for bad debts	(843)	(847)
	1,881	1,878
Grants receivable	94	90
Trade debtors	939	1,561
Loans to employees	40	36
Prepayments and accrued income	2,362	1,600
	5,316	5,166

	2024	2023
	£'000	£'000
COMPANY		
Amounts falling due after one year:		
Grants receivable	3,154	3,248
Amounts falling due within one year:		
Rental debtors	2,724	2,725
Less: provisions for bad debts	(843)	(847)
	1,881	1,878
Grants receivable	94	90
Loans to employees	40	37
Trade debtors	722	1,461
Amounts due from subsidiary undertakings	146	-
Prepayments and accrued income	2,362	1,171
	5,245	4,637

CLWYDALYN HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

16. CURRENT ASSET INVESTMENTS

GROUP and COMPANY	2024	2023
	£'000	£'000
Money market and term deposits	65	66

Included above are deposits as security for certain loans of £65k (2023 £66k).

17. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP	2024	2023
	£'000	£'000
Housing loans (note 18)	621	2,495
Trade creditors	5,163	2,399
Rent in advance	1,396	1,537
Corporation tax	7	6
Other taxation and social security costs	268	103
Pension contributions	-	-
Other creditors	9	9
Pension Payable	-	-
Pension deficit contributions (note 19)	1	1
Deferred capital grant (note 20)	2,145	1,887
Accruals and deferred income	8,017	7,975
Fund held in trust	4,429	3,887
	22,056	20,299

COMPANY	2024	2023
	£'000	£'000
Housing loans (note 18)	621	2,495
Trade creditors	3,091	2,383
Rent in advance	1,396	1,537
Corporation tax	6	5
Other taxation and social security costs	232	87
Other creditors	9	9
Pension deficit contributions	1	1
Deferred capital grant (note 20)	2,145	1,887
Accruals and deferred income	5,244	5,304
Fund held in trust	4,429	3,887
Amounts due to Group undertaking	3,609	1,703
	20,783	19,298

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

18. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
GROUP	£'000	£'000
Housing loans	45,770	42,583
Housing loans - Bond issue	225,000	185,000
Recycled Capital Grant Fund	3,700	3,664
Deferred capital grant (note 20)	318,406	278,785
Pension Deficit Contribution (note 19)	-	1
Homebuy grant (note 21)	3,118	3,208
Other Creditors	1,186	-
	597,180	513,241

	2024	2023
COMPANY	£'000	£'000
Housing loans	47,037	43,111
Housing loans - Bond issue	225,000	185,000
Recycled Capital Grant Fund	3,700	3,664
Deferred capital grant (note 20)	318,406	278,785
Pension Deficit Contribution (note 19)	-	1
Other Creditors	1,186	-
Homebuy grant (note 21)	3,118	3,208
	598,447	513,769

Housing loans - Group

	2024	2023
	£'000	£'000
Amounts repayable by instalments:		
Not wholly repayable within five years:		
Repayable between one and two years	655	607
Repayable between two and five years	1,969	1,762
Repayable after five years	263,146	220,215
	265,770	222,583
Amounts repayable otherwise than by instalments:		
Repayable after five years	5,000	5,000
	270,770	227,583
Amounts repayable by instalments repayable within one year	621	2,495
Total housing loans - Group	271,391	230,078

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

**18. CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR
(Continued)**

Housing loans – Company

Amounts repayable by instalments:	2024	2023
	£'000	£'000
Not wholly repayable within five years:		
Repayable between one and two years	655	607
Repayable between two and five years	1,969	1,762
Repayable after five years	264,413	220,742
	<u>267,037</u>	<u>223,111</u>
Amounts repayable otherwise than by instalments:		
Repayable after five years	5,000	5,000
	<u>272,037</u>	<u>228,111</u>
Amounts repayable by instalments repayable within one year	621	2,495
Total housing loans – Company	<u>272,658</u>	<u>230,606</u>

Housing loans are secured by specific charges on the Group's housing properties and bear interest at rates ranging from 2.96% to 11.18%.

At 31 March 2024 100% of the loans were fixed (2023 100%). The fixed loans bore interest ranging from 2.96% to 11.18%, with a weighted average of 3.66% (2023 2.96% to 11.18%, weighted average 3.68%).

At the yearend 0% of the loans were variable (2023 0%).

The loan liability includes a £9.9m 45-year lease and leaseback arrangement with Aviva PLC. From an accounting perspective it has been assessed that, in substance, this is a basic loan arrangement secured on the properties of the association. Interest on the Aviva arrangement is payable quarterly and linked to CPI, the interest rate is therefore calculated as the effective rate of interest to discount the future cash flows to the amortised cost of the loan.

Recycled Capital Grant Fund	2024	2023
	£'000	£'000
Recycled Capital Grant Fund at 1 April	3,664	3,205
Received in the year	351	285
Recycled in the year	(315)	174
Recycled Capital Grant Fund at 31 March	<u>3,700</u>	<u>3,664</u>

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

19a. PENSION DEFICIT CONTRIBUTION LIABILITY

	2024	2023
GROUP and COMPANY	£'000	£'000
At 1 April	2	4
Re-measurements		
- Amendments to contribution schedule	-	-
- Impact of change in assumptions	-	-
Unwinding of discount finance charge	-	-
Deficit contributions paid	(1)	(2)
	<hr/>	<hr/>
At 31 March	1	2
	<hr/> <hr/>	<hr/> <hr/>
Amounts falling due:		
Within one year (note 17)	1	1
	<hr/>	<hr/>
Between one and two years	-	1
Between two and five years	-	-
In five years or more	-	-
	<hr/>	<hr/>
In more than one year (note 18)	-	1
	<hr/>	<hr/>
Total pension creditor	1	2
	<hr/> <hr/>	<hr/> <hr/>

19b. DEFINED BENEFIT PENSION OBLIGATIONS

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2024

	2024	2023
KEY ASSUMPTIONS	£'000	£'000
Discount Rate	4.91	4.86
Inflation (RPI)	3.14	3.19
Inflation (CPI)	2.78	2.77
Salary Growth	3.78	3.77

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

19b. DEFINED BENEFIT PENSION OBLIGATIONS (continued)

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

Life expectancy	At age 65 years
Male retiring in 2024	20.5
Female retiring in 2024	23.0
Male retiring in 2044	21.8
Female retiring in 2044	24.4

	2024	2023
	£'000	£'000
GROUP ASSETS		
Global Equity	2,298	432
Absolute Return	900	250
Distressed Opportunities	813	701
Credit Relative Value	756	874
Alternative Risk Premia	732	43
Fund of Hedge Funds	-	-
Emerging Markets Debt	298	124
Risk Sharing	1,350	1,704
Insurance-Linked Securities	119	584
Property	926	996
Infrastructure	2,330	2,644
Private Equity	19	-
Private Debt	907	1,030
Opportunistic Illiquid Credit	901	990
High Yield	4	81
Opportunistic Credit	-	2
Cash	455	167
Liquid Credit	-	-
Long Lease Property	149	698
Secured Income	689	1,062
Liability Driven Investment	9,385	10,661
Currency Hedging	(9)	44
Net Current Assets	40	59
Total Assets	23,062	23,146

None of the fair value of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

CLWYDALYN HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

19b. DEFINED BENEFIT PENSION OBLIGATIONS (continued)

GROUP and COMPANY

	2024	2023
	£'000	£'000
Analysis of the amount charges to operating expenditure in the Statement of Comprehensive Income		
Expenses	(29)	(28)
Past service cost	-	-
	<u>(29)</u>	<u>(28)</u>
Total Operating Charge	(29)	(28)
Analysis of pension finance income / (costs)		
Expected return on pension scheme assets	1,136	1,023
Interest on pension liabilities	(1,354)	(1,150)
	<u>(218)</u>	<u>(127)</u>
Amounts charged/credited to finance costs	(218)	(127)
Amount of gains and losses recognised in the Statement of Comprehensive Income		
Actuarial (losses) on pension scheme assets	(1,574)	(14,720)
Actuarial gains on scheme liabilities	240	13,715
	<u>(1,334)</u>	<u>(1,005)</u>
Actuarial gain/(loss) recognised	(1,334)	(1,005)

GROUP and COMPANY

	2024	2023
	£'000	£'000
Surplus/(deficit) in scheme at 1 April		
Movement in year:		
Opening Defined Benefit pension liability	(5,093)	(5,153)
Expenses	(29)	(28)
Employer contributions	1,286	1,220
Past service cost	0	0
Net interest/return on assets	(218)	(127)
Remeasurements	(1,334)	(1,005)
	<u>(5,388)</u>	<u>(5,093)</u>
(Deficit) in scheme at 31 March	(5,388)	(5,093)

CLWYDALYN HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

19b. DEFINED BENEFIT PENSION OBLIGATIONS (continued)

GROUP and COMPANY	2024	2023
	£'000	£'000
Asset and Liability Recognition		
Recognition of Liabilities		
Liabilities at start of period	28,239	41,681
Service cost	-	-
Interest cost	1,354	1,150
Employee contributions	-	-
Remeasurements	(240)	(13,715)
Benefits paid	(932)	(905)
Past service cost	29	28
Curtailments and settlements	-	-
Liabilities at end of period	28,450	28,239
Recognition of Assets		
Assets at start of period	23,146	36,528
Return on plan assets	1,136	1,023
Remeasurements	(1,574)	(14,720)
Employer contributions	1,286	1,220
Employee contributions	0	0
Benefits paid	(932)	(905)
Assets at end of period	23,062	23,146

The actual return on the plan assets (including any changes in share of assets) for the Group over the year ended 31 March 2024 was a credit value: £438k (2023: credit value: £13.697m)

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

20. DEFERRED CAPITAL GRANT

	2024	2023
GROUP and COMPANY	£'000	£'000
At 1 April	280,671	247,760
Grant received during year	42,278	36,328
Housing property disposals	(252)	(1,530)
Amortisation for the year	(2,145)	(1,887)
	<u>320,552</u>	<u>280,671</u>
Net grant creditor 31 March	<u><u>320,552</u></u>	<u><u>280,671</u></u>

The grants are amortised as follows:

Amounts falling due:		
Within one year (note 17)	2,145	1,887
	<u>2,145</u>	<u>1,887</u>
Between one and two years	2,145	1,887
Between two and five years	6,435	5,660
In five years or more	309,827	271,238
	<u>318,407</u>	<u>278,785</u>
In more than one year (note 18)	318,407	278,785
	<u>318,407</u>	<u>278,785</u>
Total grant creditor	<u><u>320,552</u></u>	<u><u>280,671</u></u>

Gross capital grant received is £356.97m (2023: £316.8m)

21. HOMEBUY GRANT

	2024	2023
GROUP and COMPANY	£'000	£'000
At 1 April	3,208	2,931
Additions in the year	-	277
Disposals in the year	(90)	-
	<u>3,118</u>	<u>3,208</u>
At 31 March	<u><u>3,118</u></u>	<u><u>3,208</u></u>

22. DEFERRED TAXATION

There was no deferred taxation.

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

23. NON-EQUITY SHARE CAPITAL

The shares of the Association, each of £1 nominal value, carry no rights to a dividend or provision for redemption or a distribution on winding up. The members are entitled to a vote at annual and special meetings of the Association.

24. CAPITAL COMMITMENTS

	2024 £'000	2023 £'000
GROUP		
Capital expenditure contracted for but not provided for in the financial statements.	<u>47,946</u>	<u>51,707</u>
Capital expenditure authorised but not yet contracted for in the financial statements.	<u>101,127</u>	<u>139,839</u>
COMPANY		
Capital expenditure contracted for but not provided for in the financial statements.	<u>8,951</u>	<u>8,211</u>

The capital expenditure is to be financed by a combination of grants (including Social Housing Grant) of £40 million, the existing cash balance of £56 million and additional lending. The group has access to the revolving credit facility of £25 million.

CLWYDALYN HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

25. OPERATING LEASES

GROUP and COMPANY

At 31 March 2024 the association had no lease payments under non-cancellable operating leases.

26. ACCOMMODATION IN MANAGEMENT

GROUP and COMPANY	2024	2023
	Number	Number
General needs and other rented	4,429	4,338
Sheltered & Extra Care	723	723
Supported Housing	234	233
Low-cost home ownership	475	506
Residential / Care Homes	130	130
Managed on behalf of others	40	40
Homebuy & D.I.Y.H.O	189	191
Intermediate rental	293	229
	6,513	6,390

27. GROUP UNDERTAKINGS

As at 1 April 2023 and 31 March 2024

Subsidiary Entities	Nature of business
Tir Tai Limited	Project construction
Tai Elwy Limited	Property management
PenArian Housing Finance PLC	Special purpose lending vehicle

All subsidiaries are incorporated or registered in England and Wales. All subsidiaries are 100% controlled by ClwydAlyn Limited. Investment in subsidiaries are held at the nominal value of the issued share capital of £50,002 (2023: £50,002). Note most subsidiaries are limited by guarantee and do not have any issued share capital.

Joint Ventures

Onnen Limited	Property decarbonisation
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Onnen Limited is a joint venture between ClwydAlyn Housing Limited and Cartrefi Conwy Limited. The purpose of the Company is to carry out decarbonisation and retrofit works to properties of both housing associations

CLWYDALYN HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

28. CONTINGENT LIABILITIES

In previous years there has been correspondence with HMRC with reference to the taxable status of income generated by solar panels owned by the ClwydAlyn Group. At present a response is awaited and the ClwydAlyn Group has obtained advice that a reasonable position has been taken. In the event that there was an adverse finding then tax would become payable of £97k (2023 £90k) and would be treated as a prior year tax charge.

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

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

A high level of uncertainty also exists regarding whether there is any possibility of reimbursement. Any such consideration can only follow the resolution of the above.

29. RELATED PARTY TRANSACTIONS

During the year the following transactions took place between entities in the ClwydAlyn Group (note these transactions and balances are eliminated on consolidation): -

Entities received intragroup management income as follows: -

- Tir Tai Limited £1,770,053 (2023: £1,497,197)
- Onnen Limited £50,000 (2023: £0)

At the year ended 31 March 2024 had the following intragroup balances outstanding: -

- Tir Tai Limited a creditor balance of £2,536,168 (2023: creditor balance of £306,549)

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- PenArian Housing Finance PLC a creditor balance of £1,073,004 (2023: creditor balance of £1,395,760)
- Onnen Limited a debtor balance of £146,194 (2023: £0)

In 2019 ClwydAlyn entered into an informal partnership agreement with Flintshire County Council and a charity called CanCook, to create a company called WellFed. This company promotes good food for all and raises funds to subsidise ingredients, ready meals and training for communities in North Wales.

Although this is not a formal partnership, ClwydAlyn appoints two of the six board members to the WellFed Board

ClwydAlyn awarded WellFed a contract to supply meals to its extra care homes and to tenants in distress. WellFed also receives a grant from ClwydAlyn each year and in 2024 this was £75k (2023: £100k).

During the year ClwydAlyn spent £836k with WellFed and the year-end creditor balance was £29k.

30. MOVEMENT IN NET DEBT

	At 31 March 2023 £'000	Cash flows £'000	At 31 March 2024 £'000
Cash and bank balances	22,060	33,780	55,840
Bank overdrafts	(-)	(-)	(-)
	<u>22,060</u>	<u>33,780</u>	<u>55,840</u>
Housing loans	(230,078)	(41,312)	(271,390)
Current assets investment	66	(1)	65
	<u>(207,952)</u>	<u>(7,533)</u>	<u>(215,485)</u>

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31. Transfer of engagements

On 5 October 2023, the net assets and operations of the former Rosa Hovey Housing Trust were transferred to the association. The below reconciliation shows the impact on the reserves of the Association at the date of the transfer.

	5 October 2023
	£000
Fixed assets	
Housing properties valuation (MV-STT)	993
Total fixed assets	<u>993</u>
Current assets	
Cash at bank	134
Total current assets	<u>134</u>
Total assets	<u><u>1,127</u></u>
Capital and reserves	
Share capital	-
Reserves (unrestricted)	1,127
Total capital and reserves	<u><u>1,127</u></u>



ClwydAlyn

