

Financial Update – Winter 2025 – RNS 9142Y PenArian Housing Finance PLC

Overview

ClwydAlyn continue to perform well to Q3 2024/25 and have a strong forecast for the financial year, with an expected operating margin of 20.4%.

Forecast turnover for the financial year is £63.4 million which is £475K lower than budgeted due to delays in opening the extra care scheme in Welshpool. Development of new properties has however continued at pace and 82 new homes have been brought into management so far this year with a further 231 expected by 31st March 2025. There are 456 homes in development, currently on site, and a further 690 planned to start on site in the next 2-3 years. All new homes are developed to EPC A standard, and we have continued to invest heavily in decarbonisation projects, with £4.5 million of Optimised Retrofit Project grant funding having been utilised during this financial year.

We continue to improve the number of empty homes across the portfolio, with 109 empty properties (33 strategic voids) at the end of December, which compares favourably with the December 2023 position of 144 empty properties (23 strategic voids). Our forecast void losses are expected to be higher than budget however and work continues to reduce the length of time that properties are empty in order to mitigate these losses. Our expenditure is currently forecast below budget due to the delays in opening the extra care scheme in Welshpool and savings on financing costs. The overall impact of careful cost control is driving the strong margin position while enabling growth.

At the end of 23/24, an issue emerged across the sector regarding the administrative requirements of the new Renting Homes Wales Act. This is the subject of continuing legal action and ClwydAlyn is awaiting the outcome. We do not expect that the implications of this judgement will be material for ClwydAlyn.

Cashflow

Cashflow management throughout 24/25 has been very strong with no further draw down of funds required. Existing cash balances alongside grant funding for specific projects have been effectively utilised to manage the cash position during the year and a review of further funding requirements is underway. We continue to hold a minimum of 24 months-worth of committed net cashflows in funds or facilities available for drawdown.

Rating

We were pleased to retain our 'A Stable' credit rating with Standard and Poor's after their review in July 2024. Our Moody's rating was reviewed in October 2024 and remained at A3 'stable.'

Staffing

Our Executive Director of People, Culture and Communications, Sian Williams FCIPD, started in July 2024 and our Executive Director of Resources, Sandy Murray FCMA, started in October 2024. This completes the Executive Team.

Should you have any queries regarding this update you can contact:

Company Secretary
Executive Director of Resources

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