

**CONSOLIDATED
REPORT &
FINANCIAL
STATEMENTS
2025**

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Board Members

	Co-Opted	Appointed	Resigned
Fiona Jones – Chair	1 st June 2024	23 rd July 2024	
Jonathon Davies	22 nd September 2016	22 nd March 2017	23 rd July 2024
Shelley Bosson – Vice Chair	22 nd September 2016	24 th July 2018	
Mike Jones	25 th May 2017	24 th July 2018	
Andrew Lycett	28 th March 2019	23 rd July 2019	
Jonathan Hughes	1 st July 2019	23 rd July 2019	
Rachel Rees	1 st October 2020	27 th July 2021	
Lisa Murray	1 st October 2020	27 th July 2021	
Phineas Brooks	1 st October 2022	25 th July 2023	
Ananda Woodley	1 st December 2022	25 th July 2023	
Huw Freeman	1 st December 2022	25 th July 2023	
Ceri Wiggins	25 th July 2023	25 th July 2023	
Natalie Morgan	19 th December 2023	23 rd July 2024	
Rowland Jones	1 st December 2024		
Lianne Caulfield	1 st December 2024		



Executive Management Team

Linda Whittaker	Chief Executive	
Claire Maimone	Deputy Chief Executive	Resigned 31 st March 2025
	Company Secretary	
Nicholas Tagg	Director of Finance	
Andrew Carey	Director of Assets	
Clare Way	Director of Operations	
Angela Priestley	Director of Central Services	Appointed 1 st April 2025
	Company Secretary	

Other information

Registered Office: Tŷ Gwyn
 Brunel Way
 Baglan Energy Park
 Neath
 SA11 2FP

External Auditors: Bevan Buckland LLP
 Ground Floor, Cardigan House
 Castle Court
 Swansea Enterprise Park
 Swansea
 SA7 9LA

Internal Auditors: Barcud Shared Services
 2 Alexandra Gate
 Ffordd Pengam
 Cardiff
 CF24 2SA



INFORMATION

Bankers:

Barclays Bank
3 Windsor Place
Cardiff
CF10 3ZL

Funders:

Danske Bank	Barclays Bank PLC	Just Retirement Ltd
Donegall Square	Social Housing	Enterprise House
West	Team 6 th Floor	Bancroft Road
Belfast	5 Callaghan	Surrey
BT1 6JS	Square	RH2 7RP
	Cardiff	
	CF10 5BT	

Solicitors:

Hugh James	Devonshires	Blake Morgan
Two Central	30 Finsbury	Bradley Court Park
Square	Circus	Place
Cardiff	London	Cardiff
CF10 1FS	EC2M 7DT	CF10 3DB

Welsh Government Registration No: L154

FCA Company Registration No: 31041R



INFORMATION

Subsidiary Companies

Company	Company No
Tirnod Limited	12761146

The registered office of the above company is Ty Gwyn, Brunel Way, Baglan Energy Park, Neath, SA11 2FP.

Tai Tarian acquired the above subsidiary on 9th March 2021 and owns 100% of the entity's share capital.

Directors

Jonathan Hughes

Andrew Carey

Natalie Morgan

Nicholas Tagg

Claire Maimone

Company Secretary

Resigned – 31st March 2025

Angela Priestley

Company Secretary

Appointed – 1st April 2025



The Board presents its Strategic Report, Board Report and the audited Financial Statements for Tai Tarian (the Group) for the year ended 31st March 2025.

STRATEGIC REVIEW

1. PRINCIPAL ACTIVITIES

The Group comprises Tai Tarian ("the organisation"), and its subsidiary undertaking Tirnod Limited ("Tirnod"). The organisation was established as a result of a large-scale voluntary transfer (LSVT) from Neath Port Talbot County Borough Council's (NPTCBC's) housing stock on 4th March 2011. The organisation then acquired a 100% shareholding in Tirnod Limited on 9th March 2021 to form the Tai Tarian Group.

The principal activities of the organisation are to provide affordable homes and assist in community development, within the County Borough of Neath Port Talbot and surrounding areas. It owns, manages, and maintains 9,167 rented properties, 444 leasehold flats, 17 shops and 782 garage plots as of 31st March 2025.

The principal activity of Tirnod is the lease of machinery to enable the development of buildings using modern methods of construction.

2. VISION AND VALUES

The Group has adopted 'Making a Difference' as its vision which is supported by our mission of 'Great Homes, Great Communities'. Our staff, tenants and Board members worked together to develop and agree our values:

- **Be Bold** – this value is to encourage aspiration. We are a bold organisation that is tackling big challenges, so we want our staff to think big.
- **Be Fair** – this value is linked to effectiveness. We will be fair to each other, never exclude others, never show favouritism. We will always play by the rules.
- **Be Kind** – this value focusses on people and tenants. It signifies to staff to always have kindness as the guiding principle in their work with others.

3. STRATEGIC OBJECTIVES

Delivering our Corporate Plan 2020-2025

Our Corporate Plan was developed to take us from 2020 to 2025, it includes our long-term vision, mission, and strategic objectives. Our priorities took into account the need to support delivery of both the Foundational and Circular Economies and this is reflected in our three high level themes and six priorities, as follows:



Theme 1: Sustainable Homes

- **Affordable homes for our tenants**

We want to ensure we provide warm, energy efficient homes for our tenants, through the new homes that we build and, also by improving the energy performance of our existing homes. We have upskilled staff to work with tenants to make sure they understand how to minimise the cost of energy and the positive financial impact this may have. Every year we undertake a review of our rents, to ensure they remain fair and affordable.

- **Tailored services to support tenants in their homes**

We are gaining a better understanding of our tenants in order to ensure we can provide the right support, either directly or through the partnerships forged within our communities. We continue to identify and focus support where it's needed, providing tailored services to individuals. Through our partnership work, we are able to provide much needed services to tenants.

Theme 2: Sustainable Communities

- **Community partnerships delivering services that matter to our customers**

We continue our work with our communities and partners to understand the issues at a community level and are developing plans to influence change, having a positive impact within our communities. Working with our partners we work to identify funding opportunities to support and promote the sustainability of tenancies and the wider community. Our Community Plans are helping us to understand each of our communities and the opportunities to support sustainability.

- **Tenants supported to be healthy and active within their communities through focused and targeted involvement and learning opportunities**

By working with our tenants, we will understand their aspirations for involvement and create opportunities for their views to influence services and decisions. This year we have spent time gathering valuable feedback to understand the tenant's perspectives on what we do well and where we can improve. Working with our partners we aim to increase the learning and employment opportunities across our communities.

Theme 3: Sustainable Planet

- **To be carbon neutral (net zero) by 2030**

We have our sights firmly set on becoming globally responsible for climate change so that we can make it easier for our tenants, communities, and staff to do the same. By ensuring that our homes are energy efficient, our tenants can benefit from improved health and wealth leading to a better quality of life and in our communities, making the most of our



landscapes will be instrumental in offsetting our unavoidable carbon footprint. We are also ensuring our employees are doing their bit too by creating a zero-carbon work environment.

- **Implement the principles of the circular economy and maximise any potential for the foundational economy**

Underpinning our organisation is a deep-seated aspiration to reach a circular economy here in Wales for the benefit of future generations. By embedding resource efficiency and waste prevention at an operational level, we aim to influence those around us to join in our plight to save the planet and build community capital. Working with partner organisations, our aspiration is to motivate our tenants to reduce, reuse and recycle more in our homes and communities.

Our new Corporate Plan, taking us from 2025 to 2030 has been developed and will be launched at our all-staff conference in June 2025.

DEVELOPMENT AND ACQUISITION OPPORTUNITIES

The growth of our development programme is crucial as part of the response to the housing crisis, and, in meeting the growing and varied needs of people across the County Borough. This is a vital part of our work; however, we prioritise provision of the right, affordable and efficient homes in the right location for the people who need them, as part of our growth strategy as opposed to simply focusing on delivering volume and unit numbers.

During 2024/25, Tai Tarian has successfully delivered 67 new homes comprised of 15 units as part of the second phase of the County Flats project in Sandfields and 52 new homes were handed over at Eaglesbush in Neath.

We have continued to effectively use Transitional Accommodation Capital Programme (TACP) in 2024/25, benefitting from just over £1.28m of capital funding to secure 10 strategic acquisitions of smaller, high demand properties to combat the high levels of homelessness currently being faced across Neath Port Talbot.



STRATEGIC REPORT

Completed Sites

Eaglesbush, Neath

In October 2024, work was completed at Eaglesbush, now named Clos Castan, to deliver 52 new affordable homes. The site was previously an under-utilised greenfield site located adjacent to a densely populated existing Tai Tarian estate.

The scheme was successfully completed to an extremely high standard by a West Wales based contractor Jones Bros (Henllan) Ltd and consists of one-, two-, three- and four-bedroom properties, including adapted bungalows; all constructed to an EPC rating of 'A'. The scheme secured just over £5.7m in Social Housing Grant funding from the Welsh Government.



Live/Ongoing Development Schemes

County Flats



15 new-build and 24 refurbished properties were completed and handed over as part of the second phase of the project at County Flats in Sandfields, Port Talbot.

The 15 new-build units were delivered via a full modular system, which were constructed and supplied by Seven Oaks Modular. The units were produced in the new modular production facility, based in the former Metal Box factory in Milland Road, Neath, less than 7 miles from the site.

Over £7.0m of capital grant was secured from Welsh Government via Social Housing Grant (SHG) and Innovative Housing Programme (IHP) funding, as part of this 'flagship' project which delivered a 'hybrid' approach to incorporate new-build and refurbishment as part of a wider regeneration strategy.

The final phase of the project is nearing completion with the handover of 14 properties expected during Summer 2025.



Eagle House

The scheme involves the demolition of a vacant office building and the construction of a mixed use, 5-storey building with commercial & parking on the ground floor and 18, 1 and 2-bedroom flats occupying the first to fifth floor.

The project is being delivered by South-Wales based contractor, Castell Construction Ltd and involves collaboration with the Local Authority to designate a dedicated floor as supported living arrangement, with additional design features and specification changes having been agreed to facilitate the delivery model.



The scheme is progressing well on-site with superstructure works complete and first fix works ongoing. Completion is expected in October 2025.

The scheme has received over £2.5m in Social Housing Grant support from Welsh Government.

Heol Crwys

The scheme incorporates the demolition of the existing 30 properties, which are post Second World War prefabricated properties, originally designed/constructed as temporary accommodation, and redevelopment of 43 new energy efficient properties, consisting of one- and two-bedroom bungalows and one-bedroom flats.

The contract is being delivered by Port Talbot based contractor CJ Construction, who have successfully completed several high-quality developments for us in recent years.

The site was handed over to the contractor in March 2024 and demolition is now completed with superstructure works ongoing to over half the site and mains utilities diversion currently being carried out.

The scheme received a Social Housing Grant (SHG) allocation of £5.9m and an additional £900,000 from the Welsh Government Land & Buildings Development Fund (LBDF) associated with the ground remediation.

Tudor Inn, Cymla

This scheme comprises the development of a previously privately owned brownfield site, acquired in February 2025, to provide 22 new affordable homes, consisting of one-, two- and 3-bedroom properties.



STRATEGIC REPORT

The contract was awarded to Cardiff based contractor Bluefield Land Ltd following a competitive tender process via Sell2Wales. The Principal Contractor took possession of the site on 28th February 2025 and site mobilisation is currently ongoing.

The two key primary matters are to discharge a planning condition that is directly linked to a Traffic Regulation Order (TRO) and the demolition of two existing Tai Tarian properties to facilitate the new site access.

The scheme has been allocated £4.3m in Social Housing Grant (SHG), drew down just over £3.3m in March 2025 and is due for completion in early 2027.

Committed Schemes

County Flats Phase 2

This scheme will be the natural continuation of the regeneration of the 'County Flats' and an opportunity to build on the success of the current scheme. The project is currently at design stage, and we are due to publish the Pre-Application Consultation (PAC) by June 2025.

The current iteration of the scheme proposes partial demolition, construction of 97 new units, and refurbishment of the remaining existing units.



The design process was intentionally paused to undertake additional engagement and consultation with Local Members and key stakeholders, but the pre-app is now currently being finalised and will be submitted imminently.

We have agreements in principle with the Leaseholders in relation to temporary decant and allocation of new properties, which facilitates delivery of the proposed scheme. To date, we have successfully acquired 2 of the 8 leasehold properties, leaving 6 remaining. We are working with solicitors and the remaining leaseholders to legally finalise the process, as per the arrangement with leaseholders in the current County Flats project.



The scheme is included in the main programme of the Planned Development Programme (PDP) for 2025/26 and is due to commence on site in Spring 2026.

Brynna Road (South)

This proposal would see the development of 22 affordable homes on a greenfield site within Tai Tarian ownership, comprised of 1-bedroom, 2-bedroom, 3 bedroom and 4-bedroom properties. A pre-application has been submitted to the Local Planning Authority which has raised some key elements that need to be addressed. A public open space assessment has been undertaken as part of the response and the pre-application consultation (PAC) will be launched early in the Summer. It is anticipated that the scheme could commence on site towards the end of 2026.

Laburnum Avenue

This potential scheme is a collaboration which involves the acquisition of the site from the Local Authority to deliver 12, 1-bedroom and 2-bedroom affordable homes.

Legal representatives have been instructed regarding the conditional contract and acquisition, and the pre-application is currently being prepared for submission to the local planning authority.

A site start is anticipated in Spring 2026.

Menai Avenue

This proposal utilises two overgrown areas of (brownfield) land within Tai Tarian ownership, and the added value of a third parcel of disused land, as part of an agreed acquisition from the Local Authority.

This scheme could deliver 31 new homes comprised of 1-bedroom and 2-bedroom properties, including bungalows and adapted apartments as part of a potential supported living element to be delivered in collaboration with the Local Authority.

The pre-application is due to be submitted to the local planning authority in early Summer of 2025, with the scheme expected to be able to commence on site towards the end of 2026.

Pipeline & PDP Update

During 2025, 7 new schemes were submitted to the (new) Welsh Government Homes and Places portal for consideration as part of the 2025/26 Quarter 1 PDP. An additional 5 schemes are currently being assessed as part of the future pipeline. In summary, we now have over 20 schemes currently being considered and assessed, which amounts to just over 1200 units.

The Quarter 1 PDP should be finalised by the Summer, which will confirm the status of the above schemes, in addition to those submitted via the previous submission process in 2024, which are currently being shown as reserve or proposed schemes.



Four sites have also progressed to the second stage assessment as part of the Local Authority's Replacement Local Development Plan (RLDP) process, with the aim of being allocated within the new plan for residential development. Responses were submitted to the second stage in February 2025, with the next 'Draft Deposit' stage expected to be published by December 2025. It is likely that schemes included in the 'Draft Deposit' will receive an allocation in the final plan.

We continually assess our list of identified and potential sites and are committed to looking forward to maximising new and existing opportunities, to ensure we build a sustainable development programme and approach to providing new homes.

REDUCING OUR CARBON FOOTPRINT

The Group continues to work toward to its goals to reduce its environmental impact and improve biodiversity in our communities. It will continue to be committed to becoming carbon neutral by 2030.

The Group's measured carbon emissions in March 2020 were 22,699 tonnes. The largest proportion of this was from the housing stock – 21,691 tonnes of the total 22,699 tonnes, which includes emissions from communal power and heating. The distribution of carbon emissions continues to follow this pattern, and in recognition of this our focus has been the reduction of carbon emissions produced by our properties.

Over the last twelve months the organisation's focus has been delivering its carbon reduction initiatives, which include:

- Installation of solar PV (photovoltaic) arrays on a large scale on suitable properties
- Undertaking work to improve the energy performance of the fabric of existing properties
- Construction of new homes to EPC (Energy Performance Certificate) A
- Reduction of grid-generated energy usage at our offices.

Reduction in carbon emissions has been achieved through the following initiatives during 2024/25:

- Improvements to the housing stock - 109 EWI (External Wall Insulations) installed to reduce heating demand.
- Installation of low carbon electric heating into some of our Haven Properties as a trial, which has yielded positive results.
- Installation of 483 individual PV arrays onto properties across our stock, reducing reliance on grid electricity and hence a reduction in the carbon emissions of the properties.
- Reduction in grid electricity usage at our Ty Gwyn Office – Increasing the existing solar array from the original 90 panel system to a new 172 panel system generating 73.10kW.
- Reduction in fuel consumption and reduced mileage from the white fleet.

The calculated carbon reduction improvements from these installations are to be measured as part of the post installation process and will therefore be available once this process has been completed.



STRATEGIC REPORT

To reduce emissions from our housing stock, we have been able to build on our previous fabric improvement works programme (EWI) and move onto the next step of decarbonisation. This encompasses the installation of green energy solutions such as PV arrays on our properties, reducing a property's carbon emissions by limiting reliance on grid-based electricity. In most cases, the introduction of PV can reduce an individual property's carbon emissions by 75%.

We have continued to benefit from grant funding from the Welsh Government's ORP (Optimised Retrofit Programme), which has allowed us to scale up our delivery of PV installations during the 2024/25 programme. Through a combination of the ORP and our own component replacement programme, we have improved standards of property fabric thermal efficiency through EWI, installed energy generation (for example PV), high efficiency heating solutions, and the trial of two air source heat pumps. It is important that our improvement measures are designed to deliver against our carbon agenda as well as other priorities such as fuel poverty, thermal comfort, and affordability.

Work has continued reviewing opportunities to reduce usage from work-based travel. We have updated another batch of vehicles to electric. Our key priority this year however has been on our Dynamic Scheduling System and how its use has been driving our approach to service delivery. We established early on that its configuration was introducing unnecessary traveling patterns, in many ways, over-riding its core purpose of being an efficient scheduling tool. A review of how jobs were allocated, the type of work being undertaken and the areas being worked in has resulted in less travelling and a more positive experience. Customers and colleagues have all commented positively on delivery times and ability to meet targets. It is early in the change process to measure the actual reduction; however, we expect a positive impact at year end. Work will continue this year on the objective, focusing on our improved use of van stock and hubs.

In recognition of the need to educate and inform colleagues and stakeholders of their role in aiding in the sustainability objectives of the Group, our carbon literacy training programme has continued to be offered to all staff. In addition, a series of site visits has been offered to all staff members, visiting a property which has undergone improvement measures so that they may learn more about the decarbonisation principles when considering planned improvement works.

COLLABORATION WITH SEVENOAKS MODULAR LIMITED

Modern Methods of Construction

It has been recognised by Welsh Government that one of the key housing challenges over the next 10 years will be how to build sustainable homes that achieve standards that reduce carbon and running costs for tenants. There are many build options available, but timber frame and modular construction is seen as one of the most sustainable ways of building new homes in Wales, particularly if the build process can adopt the principles of the Circular Economy.



STRATEGIC REPORT

Since 2021 Tai Tarian, and subsidiary Tirnod, have been working in collaboration with SO Modular Ltd, a local company specialising in timber frame/modular manufacturing, to increase housing supply, utilising Welsh Government's loan finance to acquire new equipment and platform, to hugely increase timber frame/modular build capacity within the factory.

The collaboration provides an excellent opportunity for the creation of a large-scale project that directly aligns with all elements of our Corporate Plan and Foundational Economy, with annual monitoring to Welsh Government on progress.

Outcomes:

- An increase in the number of new homes being built in Wales, which are sustainable and affordable for our tenants
- Additional Employment within the Borough
- Safeguard Jobs within the Borough
- Provide training within the Borough
- Develop Foundational/Circular Economy objectives.

BUSINESS ENVIRONMENT

Principal Risks and Uncertainties

Tai Tarian recognises that we must effectively manage risk while undertaking our business activities.

It is the responsibility of the Board to clearly articulate their risk appetite and to gain assurance that we are identifying and managing risk effectively. The Welsh Government's assessment of housing sector risks is considered as part of this process.

To manage and mitigate risks, the organisation operates a Risk Management Policy which is reviewed every three years. This helps the organisation make informed strategic decisions about the allocation of resources to manage risks which might impact upon the efficient delivery of our Corporate Plan goals.

We use a Strategic Risk Register to record risks and measure their likelihood and impact of occurring. Risk scores are used to identify the nature and level of controls required, and the levels of assurance that needs to be evidenced, to demonstrate to Board that risks are being effectively managed within Board's risk appetite.

Risk management is embedded throughout the organisation because it is a critical activity in the delivery of our Corporate Plan. Continuous monitoring is undertaken by Heads of Service. The Executive and Board review 'Top' and emerging risks monthly, alongside progress against our Corporate Plan goals.



Financial Risk Management

The organisation acknowledges that effective treasury management is essential in delivering our corporate objectives. Its objective is to manage Treasury risks on a cost-effective basis and speculative transactions are not permitted.

Tai Tarian utilises a Treasury Management Policy (TMP) to manage the five key Treasury risks facing the organisation (as defined below). The policy is based on industry best practice. The policy also details our Financial Golden Rules.

Treasury Risk	Definition
Liquidity Risk (including Refinancing & Security Risk)	The risk that Tai Tarian cannot fulfil obligations as they fall due. Refinancing risk is the risk of being unable to replace maturing debt or incurring high costs in doing so. Security Risk is the risk that we do not have sufficient property available to secure our required funding.
Counterparty Risk	The risk that third parties (banks or lending institutions) do not make undrawn facilities available when needed or deposits are not returned.
Interest Rate Risk	The risk of an interest rate rise increasing the cost of borrowing and increasing covenant risk.
Legal/Regulatory Risk	The risk that we act outside our legal powers or do not comply with our covenant obligations.
Operational Risk	The risk that Tai Tarian suffers loss through fraud, error, corruption or process failure because of inadequate controls and monitoring processes.

Liquidity Risk

Short, medium, and long term cashflows are regularly reviewed along with forecasts, budgets, and business plans to ensure that the business always has sufficient funds to meet its financial obligations in a timely manner. Our TMP sets out strategies such as the minimum cash balance the business must maintain and the minimum period of forecast net cash flow which existing liquidity facilities must be available to fund. Refinancing risk is managed by stipulating the maximum proportion of existing debt that should mature in any given year. Security risk is managed by ensuring that sufficient unencumbered and unallocated property is ready for securitisation to cover the next tranche of lending, once existing facilities have been consumed.



Counterparty Risk

Tai Tarian manages counterparty risk by setting lower limits of the required credit rating of counterparties we engage. Maximum net financial limits are also in place for any one institution, to limit our exposure.

Interest Rate Risk

The TMP sets an upper and lower limit for the proportion of variable debt the business can carry in order to limit our exposure to fluctuations in interest rates. Fluctuations in interest rates also form a part of our annual stress testing on our Business Plan.

Legal/Regulatory Risk

Following the refinancing of the organisation's debt in 2024, the business has significant headroom on all lender covenants. Board has approved a set of Financial Golden Rules which are designed to act as an early warning indicator if our financial performance could potentially trigger a 'shadow credit rating downgrade' below our target Credit Rating of A2 (Moody's).

Tai Tarian has a robust Governance team with representation at Executive level to ensure that operations are carried out intra vires. Our robust (independent) internal audit function audits all key areas of Governance and Risk on at least a three yearly basis, with reporting into the Audit and Risk Committee three times per year.

Operational Risk

A key part of our internal audit programme covers operational risks with key risks (such as Internal Financial Controls) being audited annually (rather than once every three years).

Strategic Risk Management

The top strategic risks which the organisation is currently managing are:

Dowry Gap Funding – Welsh Government

The organisation receives Dowry Gap Funding of £6.2m per annum. The funding is subject to an annual monitoring report and approval by Welsh Government, guaranteeing funding for a following two years. If we do not receive this funding there will be a loss of £6.2m, impacting on wider budgets and the ability to deliver objectives. The business plan is stress tested with a variety of scenarios and reviewed by Board to ensure that should the Dowry be removed by Welsh Government; we have a clear and executable plan which outlines which of our current priorities we would stop or reduce.



STRATEGIC REPORT

Welsh Government Rent Policy

The scope and scale of our Corporate Plan is largely contingent on the support of Welsh Government regarding Rent Setting Policy. Historically Welsh Government has signalled its support for the sector using a five-year rent policy, which allows the organisation to plan with some certainty for the medium term. Welsh Government has extended the current policy for an additional year which allows the business to continue to execute at pace. The business uses detailed financial modelling to assess the impact of potential changes to the rent policy and identifies the mitigating actions that could be taken, should those changes result in the business receiving less income in future.

Geopolitical Uncertainty

The cost-of-living crisis which started with energy price inflation, subsequently spread to many aspects of everyday life which has been felt across society. For this reason, geopolitical uncertainty, which often impacts tenants through inflationary pressure influences many risks on our strategic risk register.

Those on low incomes are disproportionately affected by inflation. This squeeze on income has an obvious risk for rental payments and we are seeing a movement between the lowest and higher arrears bandings.

In mitigation, Tai Tarian utilise many tools and the expertise of its in-house Financial Inclusion and Universal Credit (UC) teams. These include:

1. Support fund – created with funds from Tai Tarian to support tenants with rental and energy payments, especially those experiencing in work poverty.
2. Discretionary Housing Payments – fund administered by the Local Authority to help with shortfalls in Housing costs received by tenants.
3. Fuel Bank - accessed by the Financial Inclusion Team (FIT) as we are approved partners and can access vouchers for those with pre-payment meters.
4. Off grid fuel support – fund accessed for those using coal, oil, or LPG in their homes.
5. Discretionary Assistance Fund (DAF) - accessed in emergency for food, gas, clothing etc. or as payments for white goods.
6. Re-use and recycle scheme - Unwanted items at void properties gifted to tenants who need them.
7. Food banks – vouchers issued by officers to help with emergency situations.
8. UC managed payments – housing costs can be paid directly to us in situations where the tenancy is at risk. Increasing use of this tool is expected.
9. Money mentors – staff trained to recognise signs of financial distress and signpost to appropriate support services and agencies.



STRATEGIC REPORT

Rented Property Insurance

Another area which has seen significant price inflation is Rented Home Property Insurance, driven in part by the increase in natural disasters (such as storms and flooding) increasing the number and value of claims, but also general inflation (which has driven up wages). Increased wages push up the value of sums insured. There remains a very limited number of Insurance Providers servicing the Housing Sector, which limits competition and product innovation.

We use external consultants, collaborate with others in the sector and periodically test the market to ensure that the most competitive terms are achieved for the insurance cover we require. We do not speculate with levels of cover or excess premiums as we believe that offers false economy.

Transformation

Tai Tarian is undertaking a large-scale Transformation project to deliver the new level of aspiration we have for our tenant and colleague services over the next three to five years. As we move from the detailed planning stage to implementation, we recognise an increased level of risk, that we could either disrupt existing services, or overspend or underdeliver (or both) on our Transformation Goals. We have engaged an external consultant with expertise in both organisational and technological transformation to ensure that we maximise the benefits of both, but most crucially of all, our partner has significant hands-on implementation experience to support both the delivery of our target outcomes and the governance structure that we have wrapped around our activities to manage delivery risk.

Loss of Staff

Our staff deliver the services that our tenants pay for. The more knowledgeable and skilled our staff, the better value for money this represents for tenants. We therefore invest significantly in training to ensure that colleagues have the knowledge, skills and experience to deliver high quality services. As experience grows, so do the relationships with colleagues and tenants. Loss of long serving staff is a risk to the high standards that we expect of ourselves.

In addition to a vibrant learning and development programme, we have a disciplined annual career progression review conducted at Executive level, to identify those who need more support or new opportunities. A culture of monthly one to one conversation with line managers is also well embedded. A colleague engagement survey is used to understand big picture opportunities and pain points within the organisation, and we have a specific conduit (the Great Place to Work Group) through which ideas are raised and developed prior to implementation across the business.

Business Systems

Like many organisations, Tai Tarian rely on many business systems to accurately record and secure data that we need to effectively manage and run our business operations. We employ IT specialists to monitor the performance of these systems to ensure that they are kept up to date and secure,



and that they are fit for purpose. When changes are introduced, we use well defined change management protocols to manage change risk. Our critical business systems are included within our Business Continuity Plan.

Cyber Security Risk

The past few years has seen a significant rise in the frequency and sophistication of cyber-attacks. Many large corporations, public bodies and even some of our direct contractors have succumbed to ransomware, reputational damage, or major service disruption often attracting financial penalties. Artificial Intelligence is being used to create ever more sophisticated means of attack.

To demonstrate to our stakeholders that our Technology and Innovation team has the ability and capability to deliver a secure and robust service, we are 27001 accredited. The framework includes operations security, asset management, human resource security, security controls, access controls and ultimately reduced risk exposure.

Development Risk

The demand for affordable housing in Wales continues to grow, and Tai Tarian has helped to increase the amount of affordable housing available in Wales with our development programme. Development helps the organisation to grow, reduces overall costs of maintenance to our properties, helps to regenerate communities and provides local employment. Risks to development are managed with robust Business Planning reviews for affordability and each scheme undergoes a viability assessment with regards to housing demands, costs, and environmental impacts such as flooding and biodiversity. All our new homes are built to the Welsh Government WDQR standards and deliver the highest energy performance standards and attract Social Housing Grants to support the development costs. Development cashflows and project milestones are managed using sector leading software, to ensure that liquidity and viability risks are managed on the same basis between Finance and Development.

Pension scheme deficit

The LGPS is a funded defined benefit plan with benefits earned up to 31st March 2014 being linked to final salary. Benefits after 31st March 2014 are based on a Career Average Revalued Earning scheme. Therefore, there is a risk of increased exposure to rising pension contribution costs and deficit related to our membership of the Local Government Pension Scheme.

The FRS 102 accounting results at 31st March 2025 have resulted in a decrease in the amount recognised in the Statement of Comprehensive Income, with an actuarial loss of £0.4m (2024: £0.3m) and within the Statement of Financial Position, there has been no movement in the pension asset/liability as it remains restricted at Nil. Further information is available within Note 31, page 73.



A defined contribution scheme for new starters was introduced in April 2016 to reduce the impact of this risk.

Damp, Mould, and Condensation

Ensuring homes remain free from damp, mould, and condensation (DMC), is a priority for the organisation. There has been significant investment over the last few years to better understand how our properties behave based on their location, build materials and design and exposure to the elements. We maintain a risk register based on property type and have proactive DMC risk reduction strategies for each, which sit within our overall strategy of 'Insulate – Ventilate- Heat'.

Following the tragic death of Awaab Ishak, we have worked hard to increase our vigilance in this area, with every member of staff being trained on DMC awareness, the creation of a new dedicated DMC workstream and taskforce to ensure that issues of DMC are identified and addressed quickly.

We continue to progress our six priority areas:

1. Data – Better data, improved reporting, and monitoring
2. Skills – Developing skills to better understand, diagnose, and address cases of DMC
3. Culture – Continuing to monitor cases of DMC, recognising it as a seventh strand of compliance and taking a zero-tolerance approach
4. Technology – Recognising the benefits of new technology and determining its role in keeping tenants safe in their homes
5. Communication – Making ourselves visible and accessible to tenants
6. Process – Launching our Making Every Contact Count initiative, ensuring that any issue with tenants at their home does not get overlooked.

This work is routinely monitored by the Executive Team and Board.

Emerging Risks

The Executive and Board also monitor emerging risks monthly. We define an emerging risk as an existing or future condition where the likelihood or severity of impact (or both) of that condition cannot be assessed because of some prevailing uncertainty. As such, it is difficult to assess the appropriate response (in terms of mitigating actions and controls) until more is known. Examples of this include potential regulatory or legislative changes, such as the impact of the decision of the UK Government to adopt the recommendations of the Grenfell Enquiry in full. We adopt a watching brief on emerging risks and engage with colleagues across the sector and experts in the relevant field at the appropriate time to ensure that we remain informed of the potential impacts on our business as the risk becomes clearer.



STRATEGIC REPORT

BUSINESS PERFORMANCE

Performance and Position

The organisation reports a surplus for the year of £3.1m (2024: £8.2m) after accounting for net interest of £10.0m (2024: £5.6m) and profit on sale of fixed assets of £0.1m (2024: £0.1m). During the year, the organisation spent £18.4m (2024: £16.0m) on reactive, cyclical and planned repairs on its housing properties, with £28.9m (2024: £24.4m) spent on improving its properties. The works were financed through operating surpluses and cash balances.

Value for Money

The drive to pursue and achieve value for money is embedded across the organisation. Our value for money strategy directly supports our corporate objectives and has been updated in line with our 5-year Corporate Plan.

The drive to achieve Value for Money (VfM) for our tenants is embedded across the organisation through our VfM model by setting annual VfM objectives, improving operational costs and investing in what matters to our tenants. Our value for money strategy directly supports our corporate objectives with a Value for Money Statement published annually.



A comparison of our performance using the ten financial value-for-money measures which have been developed by the sector is set out below:

Value for Money Indicator	2024/25 Actual	2023/24 Actual	Comment
Total operating costs per Social Housing unit	£3,897	£3,552	Above inflationary increases resulting from a drive to reduce the number of outstanding repairs.
Management costs per Social Housing unit	£1,506	£1,429	Above inflationary impact due to increase in insurance premiums.
Reactive repair costs per Social Housing unit	£1,574	£1,368	Above inflationary increases resulting from a drive to reduce the number of outstanding repairs.
Major repairs and component costs per Social Housing unit	£1,910	£1,225	In line with programme delivery, additional works delivered through the Optimised Retrofit Programme (ORP).
Bad debts per Social Housing unit	£32	£33	Reflects a decrease in arrears plus fluctuations in debt categorisation
Weighted average cost of capital	5.06%	7.43%	Impact of re-financing loan portfolio at more favourable interest rates.
Free cash flow (before draw down or repayment of loans) per Social Housing Unit	(£470)	£782	Impact of re-financing breakage costs and phasing of component replacements / ORP programmes.
Gross Arrears/Social Housing turnover	4.99%	5.74%	Fluctuation partly due to year on year timing of housing benefit / universal credit receipts.
Turnover per Social Housing unit	£5,981	£5,584	Increased in line with Welsh Government rent policy and affordability principles
Rental void loss per Social Housing unit	£94	£111	Decreased from an average loss of 2.0% to 1.6% as a result of an decrease in turnaround times.



KEY ACHIEVEMENTS IN 24/25

Key Performance Indicators

Businesses use measurements to assess how well they are performing. These measures are used to manage operational activity, assist with service improvement, and provide information to assist the Board and the Executive Management Team with strategic and other relevant business decisions.

It is through these performance indicators that the Group's Board and Executive Management Team receive regular information during the year on various aspects of performance.

The dashboard below provides a high-level overview of the progress made by the Group in respect of performance against a suite of indicators.

Sustainable Homes & Environment					
		2024/25	2023/24		Comments
Reinvesting & Regeneration	Void properties - Turnaround time (days)	68	82	✓	Performance is in line with target.
Repairing our homes	Repairs - Routine completed on time	73%	72%	✓	Performance is in line with target.
	Repairs - Emergency made safe or attended within target	97.96%	99.89%	✗	Performance outside of target.

Tenant Engagement & Sustainable Communities					
		2024/25	2023/24		Comments
Tenant Sustainability	Evictions	1	0	✗	Performance outside of target.
	Tenancies ending in less than 12 months	37	28	—	No target.
Tenant Satisfaction	Would you recommend us as a landlord?	87.34%	90.28%	—	No target.

Organisational Health					
		2024/25	2023/24		Comments
Financial Health	Current tenant debt - Total	2.98%	3.25%	✓	Performance is in line with target.
	Former tenant debt - Total	0.69%	0.61%	✓	Performance is in line with target.
	Rent lost on empty homes - Total	1.55%	1.95%	✓	Performance is in line with target.
Staff Health	Staff sickness - Total	3.58%	3.95%	✓	Performance is in line with target.
	Staff - Voluntary turnover	6.62%	7.39%	✓	Performance is in line with target.



Doing the right thing					
		2024/25	2023/24		Comments
Staff Safety	RIDDORs	2	2	🟡	Performance in line with previous year.
	Accident Rate	4.4	3.17	🟡	Performance outside of target.
Customer Safety	Gas - Compliance	99.98%	99.88%	🟡	Performance slightly outside of target.
	Electrical - Compliance	99.80%	99.84%	✖	Performance is outside of target due to non access.
	Fire Safety - Compliance	100.00%	100.00%	✓	Performance is in line with target.
	Asbestos - Compliance	100.00%	100.00%	✓	Performance is in line with target.
	Legionella - Compliance	99.84%	100.00%	🟡	Performance slightly outside of target.
Organisational Compliance	Data Protection - Breaches	33	32	🟡	Levels of breaches are similar to those reported across the sector.
	Regulatory Judgement	Standard	Standard	✓	Performance is in line with target.

Regulatory Judgement

Welsh Government regularly assesses how we're performing and whether we're meeting the required standards. Our latest regulatory judgement rating was 'Standard/Standard'. This is the top rating achievable and provides assurance to our Board, tenants, leaseholders, and other stakeholders that we are achieving the required level of compliance in all areas of governance, services, and financial viability. The judgement can be viewed on our website.

Compliance with Community Housing Cymru (CHC) Code of Governance

Every three years we undertake an independent review of our compliance with CHC's Code of Governance. We also complete an annual internal review, and this is scrutinised by the Audit and Risk Committee before review and approval by Board.

Our latest independent review, which was commissioned in February 2023 also considered the Regulatory Board for Wales' report 'The Right Stuff'. The review concluded that we were compliant with CHC's code of Governance, whilst our internal review, also showing compliance, was approved by Board in January 2025.

Community Reinvestment

Local Multiplier 3 (LM3) is a tool that is used to measure local economic impact. LM3 measures how money flows in the local economy and how organisations can practically improve its local economic impact via its procurement decisions.

For every £1 spent on our major works and development programme a further £1.99 is reinvested in our local community out of a maximum achievable £2.



High-performing workforce

Tai Tarian provides a working environment that fosters a culture of continuous learning and development in which both formal and informal learning experiences are recognised, and the organisation's performance is clearly linked with its people's individual performance. We have created an "Our Future, Your Talent" framework to support employees through career and personal development, that will drive a high performing workforce that meets the needs of the business.

Organisational Wellbeing

Tai Tarian continues to place a strong emphasis on employee Wellbeing.

With a revised Wellbeing Framework due to launch in the spring of 2025, Tai Tarian supports the wellbeing of our employees through providing a variety of wellbeing events which include: -

- Accredited mental health and wellbeing training
- Targeted topical sessions such as menopause and prostate cancer awareness,
- Health Mot's with the British Heart Foundation
- Nutrition and general wellbeing workshops and coaching.
- Financial support and advice from our inhouse financial inclusion teams.

A suite of mental health and wellbeing support via the Help@Hand App with access to: -

- 24 hours remote GP and second opinions for employees and their immediate family members
- Therapy and support through trained counsellors and therapists
- Trained specialists and coaches around topics such as finance, nutrition and lifestyle.
- Perks and discounts for a number of retailers.

Tai Tarian also sponsor Mates in Mind, a charity that promotes and supports mental health for those in the construction industry.

Our Work in the Community

By collaborating closely with our contractors, suppliers, and staff, we maximise the benefits to our communities through charitable donations, support for local organisations, and the creation of employment opportunities within the area.

Community Donations

During the year, we partnered with our contractors and generously contributed over a hundred donations to our communities, among these were:

- Summer packed lunch programmes: by providing nutritious, ready-to-eat meals, we ensured that children and young people in the area had access to healthy food throughout the holidays, alleviating some of the pressures on families during this time.



STRATEGIC REPORT

- Foodbanks: we have continued our commitment to support local foodbanks by making monthly donations to a different foodbank within the borough. In addition, we also respond to emergency requests from foodbanks facing shortages of specific items.
- Christmas: In addition to several selection boxes distributed to various children's groups and events, our contributions included 134 individual gifts for young carers, 30 Christmas dinners for a local veteran group, and a festive buffet for the Me, Myself & I dementia support group.

Community Sports & Art Groups

Each year, we continue to see a steady increase in requests for support from local sports teams, as well as arts and crafts groups in need of equipment.

In the past year, we proudly provided over 25 sports-related donations, which included children's football, rugby and tennis teams, a darts academy, and a local dance school. Additionally, numerous donations were made to arts & crafts and knitting groups.

These contributions reflect our ongoing commitment to supporting the community and empowering individuals to pursue their passions, whether in sports or the arts.

Biodiversity Projects and School Engagement

The Community & Customer team work closely with Tai Tarian staff, external stakeholders and the community to identify suitable open spaces and existing projects. We also identify volunteers and community groups to get involved through their community engagement and encourage community ownership of projects. Our work included offering land in the Afan Valley for the lost peatlands project, a beach clean and donations of trees, shrubs and flowers.

In the year, we completed eleven school engagements across Neath Port Talbot. We visited with our mascot Barnabee to deliver our biodiversity presentation to their student ECO groups and either participated in a nature themed activity or gifted them with plants or trees for their school garden.



Equality and Diversity

We are committed to equality and diversity throughout the organisation. Over the last 12 months we have:

- Appointed a designated ED&I (Equality, Diversity & Inclusion) Partner



STRATEGIC REPORT

- Continued to develop a new ED&I Training Programme for all colleagues, managers, and tenants.
- Developed a new Equality, Diversity, and Inclusion Framework with clear objectives in the organisation's journey to create an inclusive culture for both employees and contract holders.
- Set up an Equality Impact Assessment group, with both employees and contract holders, to assess the impact of our policies on protected characteristic groups.
- The composition of our Board has become more diverse, giving protected characteristic groups more of a voice in our decision making.
- Staff have been involved in promoting national campaigns to raise awareness of issues. For example, regular events have been held to support mental health.
- Each year the Board diversity data is reviewed against the current local community data, and an annual skills audit is undertaken, to ensure that Non-Executive Directors recruited to the Board, have the required skills and are representative of the community in which they service.

GOVERNANCE

Board Structure and Membership

The composition of the Board is drawn from the following groups:

- 3 Tenant Members** Who are recruited through an open selection process
- 9 Independent Members** Who are recruited through an open selection process

On 31st March 2025 the Board had 12 full members, 2 independent co-opted members. A co-optee may act in all respects as a Board member but they cannot take part in the deliberations nor vote on the election of officers of the organisation nor any matter directly affecting shareholders.

Each Board member's learning and development needs are identified on an annual basis as part of their appraisal and a robust training programme is delivered to meet their needs. There are a number of mandatory courses including Finance, Risk Management, Data Protection, Health and Safety, Equality and Diversity that all Board members must undertake.

Board Responsibilities and Operation

Board members have a legal obligation to comply with the Rules of the organisation and promote the success of the organisation. The overall purpose of the Board is to provide strategic leadership and control of the organisation. It takes overall responsibility for decisions about the organisation's finances, standards, and policies. It monitors performance and holds management to account. Executive management responsibility including operational matters is delegated to the Chief Executive. The Board is accountable to the general members when carrying out these



responsibilities. Day-to-day management is delegated to the Chief Executive and other senior executives who meet regularly and attend Board meetings.

Board Committees

There are five committees that report to the Board:

The Audit and Risk Committee - has delegated responsibility for all matters relating to investment appraisal, internal and external audit, internal control, insurance and risk, data protection, cyber security, finance, and treasury, subject to those identified as requiring a recommendation to the Board.

The work of the Committee shall comply with the Wales Audit Office's Code of Audit Practice.

Schedule 1 and Membership Committee - has delegated responsibility for all matters relating to approval of the use of exemptions under Schedule 1 of the Housing Act 1996 and applications for associate membership.

Asset Management Committee - has delegated responsibility for considering and where necessary reporting to Board for approval all matters relating to the asset management of Tai Tarian. This includes property and land services, development and acquisitions, capital investment, health and safety and decarbonisation.

Remuneration and Nominations Committee – has delegated responsibility for considering and making recommendations to Board for approval of all matters relating to establishing and reviewing the remuneration package, terms and conditions and severance conditions in relation to the Executive Management Team, the core terms and conditions of other staff and the annual cost of living award, support the Chair of the Board on the appointment or dismissal of the Chief Executive, nominations to the Board Membership and review Non- Executive Board member pay and conditions of service.

Operations Committee – has delegated responsibility for monitoring the effective and efficient provision of services for those people living in Tai Tarian homes and those who seek assistance in meeting their housing needs. It also has delegated responsibility for monitoring staff performance, development, engagement and health and well-being.

The Board and its Committees obtain external specialist advice from time to time, as necessary.

Approved by the Board on 26th June 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'L. Jones', written over a horizontal line.

Board Chair



BOARD REPORT

LEGAL STATUS AND PRINCIPAL ACTIVITIES

Tai Tarian is authorised and regulated by the Financial Conduct Authority as a registered society under the Cooperative and Community Benefit Societies Act 2014 with charitable rules as a not-for-profit social enterprise. It is a Registered Social Landlord (RSL). The Group's subsidiary Tirnod Limited is a private limited company registered in England & Wales.

The organisation's principal activities are to provide affordable homes and assist in community development primarily within the County Borough of Neath Port Talbot.

The organisation is owned by its members, all but one of whom are individuals holding one £1 share and are Board members, residents, local community groups or business members of Neath Port Talbot. The one exception is the Local Authority which also holds one £1 share.

GOING CONCERN

After making enquiries and considering the current economic climate, the Board has a reasonable expectation that the organisation has adequate resources to continue operations for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

RENTING HOMES (WALES) ACT

In March 2024, Tai Tarian became aware of an issue which could impact organisations in the sector regarding new obligations arising under the Renting Homes (Wales) Act 2016 (RHWA). When we became aware of this issue, we conducted a detailed review of the processes and procedures that we had put in place to ensure compliance with the RHWA and sought further legal advice retrospectively, to identify any potential issues. The outcome of this review and the legal advice obtained was shared with our auditors as part of the year end audit of the Financial Statements in 2024. This review confirmed that we are fully compliant with our obligations arising under the RHWA.

BOARD AND SENIOR EXECUTIVES

The Board members (as detailed on page 3) have held office during the whole of the year and to the date of this report unless otherwise stated.

The senior executives (as detailed on page 4) are appointed by the Board and have held office during the whole of the year and to the date of this report, unless otherwise stated.

The Group has insurance policies that indemnify its Board members and senior executives against liability when acting on its behalf.



BOARD REPORT

REMUNERATION OF BOARD AND SENIOR EXECUTIVES

Board

Board members receive remuneration for their services. They also receive expenses to reimburse costs incurred, for example, in attending Board meetings.

Senior Executives

- **Policy**

The Board agrees the appointment of senior executives and their remuneration.

- **Service contracts**

All senior executives are appointed under employment contracts with a three-month period of notice.

- **Pensions**

Four of the five senior executives appointed under employment contracts are members of the Local Government Pension Scheme which is a defined benefit pension scheme. The fifth senior executive is a member of the defined contribution scheme. These senior executives participate in the scheme on the same terms as all other eligible staff.

- **Terms and Conditions**

Senior executives are not entitled to any special benefits over and above those available to other eligible staff.

EMPLOYEES

The Board recognises that the success of the organisation and its ability to meet its objectives in an efficient and effective manner, depends on the commitment, quality, and engagement of its employees.

The organisation has maintained investment in staff through training and other self-development opportunities. Additionally, the organisation continues to maintain and develop its best practice for promoting health and wellbeing for all employees.

The Board is also aware of its responsibilities on all matters relating to health and safety. The organisation has clear health and safety policies and provides staff training and education on health and safety matters.

The organisation is committed to equality of opportunity for all, creating a safe and supportive space for people to express their talents and live in their identities free from prejudice and discrimination.



BOARD REPORT

WELSH LANGUAGE SCHEME

Legislation requires us to produce and publish an annual compliance report.

A copy of Tai Tarian's Welsh Language Scheme Tracking report to the Welsh Language Commissioner is available at our head office Tŷ Gwyn or on our website.

MODERN SLAVERY ACT 2015

Legislation was introduced in 2015 which requires us to produce an annual slavery and human trafficking statement.

A copy of Tai Tarian's Anti-Slavery and Human Trafficking Annual Statement is available at our head office Tŷ Gwyn or on our website.

GENERAL DATA PROTECTION REGULATION (GDPR)

Revised legislation was introduced in 2018. The Board acknowledges its responsibility for ensuring that appropriate internal controls are in place for compliance, the Audit and Risk Committee receive reports on activity and performance.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board acknowledges its responsibility for the management of the organisation's assets to ensure its long-term financial viability and the delivery of its business strategy for the benefit of its tenants. The management of risk is acknowledged to be a top priority of the Board with detailed monitoring performed by all relevant committees. For further information on the organisation's risk strategy, see page 17 of the Strategic Report.

INTERNAL CONTROL

The Board acknowledges that it is ultimately responsible for ensuring that a system of internal control and risk management is in place that is appropriate to the business and its operating environment, and that the effectiveness of controls are regularly reviewed throughout the year.

The Board is committed to these responsibilities having appointed the external auditor and external independent internal auditor who work in partnership with other similar organisations to promote best practice and increase business intelligence.

Through the Audit and Risk Committee, the Board reviews the effectiveness of the systems of internal control by approving the work programme for internal audit, which reflect the main risks identified in the organisation's strategic risk register. Outcomes of both internal and external audit reviews are considered by the Committee with all recommendations appropriately acted upon.

In addition, the Board and Committees receive regular reports from the executive on all matters, including performance and governance. These reports are explicitly linked to the organisation's risks, governance, and finances.



BOARD REPORT

As part of the holistic view of internal control the organisation has implemented a number of key processes to its system of internal control:

- Policies and procedures are in place that are well regulated and reviewed
- Monthly management reports are tailored to each strategic level that report revenue and costs; these are designed to identify any exceptions or lack of control
- IT systems have been implemented to create a more efficient and effective operating environment that comes with a greater degree of transparency and control
- Experienced and suitably qualified staff are employed and performance monitored through regular one-to-one meetings and annual appraisals; each staff member's goals, objectives and deliverables are aligned to that of the organisation
- All items of capital expenditure and/or major commitment are subject to formal authorisation procedures requiring executive approval prior to seeking Board approval.

The Audit and Risk Committee has reviewed the effectiveness of the system of internal control in the organisation for the year ended 31st March 2025. No weaknesses were found in internal controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the Auditor's Report on the financial statements and the Board is not aware of any such weaknesses from 1st April 2025 to date.

DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of each of the persons who are Members and Senior Executives of the organisation at the date when this report was approved:

- So far as each are aware, there is no relevant audit information (as defined in relevant legislation) of which the organisation's auditor is unaware; and
- Each have taken all steps that they ought to have taken to make them aware of any relevant audit information (as defined) and to establish that the organisation's auditor is aware of that information.

STATEMENT OF BOARD'S RESPONSIBILITIES

The Board is responsible for preparing the Report and Financial Statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and other legislation covering registered social landlords require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the organisation and of the surplus or deficit for that period. In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements



BOARD REPORT

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in business.

The Board is responsible for keeping proper accounting records that are sufficient to show and explain the organisation's transactions and disclose with reasonable accuracy at any time the financial position of the organisation and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, Schedule 1 to the Housing Act 1996, (as modified by the Housing (Wales) Measure 2011), the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. It is also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the organisation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.


AUDITORS

The auditors, Bevan Buckland LLP, are currently in year two of a three-year term.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 22nd July 2025.

Approved by the Board on 26th June 2025 and signed on its behalf by:



Board Chair



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

Opinion

We have audited the financial statements of Tai Tarian Limited (the parent organisation) and its subsidiary for the year ended 31 March 2025 which comprise the consolidated and organisation statements of comprehensive income, the consolidated and organisation statements of changes in reserves, the consolidated and organisation statements of financial position, the consolidated cash flow statement and its related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent organisation's affairs as at 31st March 2025 and of the group's and parent organisation's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for Opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:



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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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



Responsibilities of the Board

As explained more fully in the Statement of Responsibilities of the Board (set out on page 34), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Identifying and assessing potential risks related to irregularities

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

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the organisation's policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance.



- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:
 - Purchasing in relation to the development and maintenance programmes, including any sales to connected individuals at below market value.
 - The recognition of development and maintenance expenditure in the correct period.
 - The rationale of any major fund flows during the period.
 - The potential of rent fraud arising as a result of collusion between the asset and housing teams.
- obtaining an understanding of the legal and regulatory frameworks that the organisation operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Group.

Audit response to risks identified

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations.
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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



INDEPENDENT AUDITOR'S REPORT

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

Use of our report

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

Bevan Buckland LLP

Bevan Buckland LLP
Ground Floor, Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date: 26 June 2025



INDEPENDENT AUDITOR'S REPORT

In addition to our audit on the financial statements for the year ended 31st March 2025, we have reviewed the Board's statement of Tai Tarian compliance with the Welsh Government Circular 02/10, Internal Financial Control and Financial Reporting ("the Circular").

The objective of our review is to enable us to conclude on whether the Board has provided the disclosures required by the Circular and whether the statement is consistent with the information of which we are aware from our audit work on the financial statements.

We are not required to form an opinion on the effectiveness of the organisation's corporate governance procedures or its internal financial control.

Opinion

With respect to the Board's statement on internal financial control on page 33, in our opinion the Board of Management has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work in the financial statements.

Bevan Buckland LLP

Bevan Buckland LLP
Ground Floor, Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date:

26 June 2025



**GROUP & PARENT
STATEMENT OF COMPREHENSIVE INCOME
AT 31ST MARCH 2025**

	Note	GROUP		TAI TARIAN	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Turnover	3	63,234	59,315	63,234	59,315
Operating expenditure	3	(50,279)	(45,620)	(50,279)	(45,620)
Surplus on disposal of fixed assets	4	52	129	52	129
Operating surplus	3	13,007	13,824	13,007	13,824
Interest receivable	5	539	1,372	539	1,372
Interest and financing costs	6	(10,515)	(7,023)	(10,515)	(7,023)
Local Government Pension Scheme (LGPS) net financing gain	31	50	40	50	40
Surplus before taxation		3,081	8,213	3,081	8,213
Taxation	10	-	-	-	-
Surplus for the year		3,081	8,213	3,081	8,213
Actuarial loss in respect of pension scheme	31	(430)	(290)	(430)	(290)
Total comprehensive income for the year		2,651	7,923	2,651	7,923

All items dealt with in arriving at the surplus for the year relate to continuing activities.

The notes on pages 46 to 76 form an integral part of the financial statements.



**GROUP & PARENT
STATEMENT OF FINANCIAL POSITION
AT 31ST MARCH 2025**

		GROUP		TAI TARIAN	
	Note	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Fixed assets					
Housing properties	11	263,038	244,543	263,038	244,543
Other fixed assets	12	4,473	3,828	4,473	3,828
Intangible assets	13	693	213	693	213
Investment in subsidiaries	14	-	-	-	-
		268,204	248,584	268,204	248,584
Current assets					
Stocks	15	177	244	177	244
Debtors	16	125,905	130,896	126,663	131,444
Cash and cash equivalents		8,678	28,631	7,920	28,083
		134,760	159,771	134,760	159,771
Creditors: amounts falling due within one year	17	(23,592)	(104,184)	(23,592)	(104,184)
Net current assets		111,168	55,587	111,168	55,587
Total assets less current liabilities		379,372	304,171	379,372	304,171
Creditors: amounts falling due after more than one year	18	(240,866)	(168,316)	(240,866)	(168,316)
		138,506	135,855	138,506	135,855
Pensions asset/(liability)	31	-	-	-	-
Net assets		138,506	135,855	138,506	135,855
Capital and reserves					
Non-equity share capital	21	-	-	-	-
Revenue reserve		138,506	135,855	138,506	135,855
Total capital and reserves		138,506	135,855	138,506	135,855

The financial statements on pages 42 to 76 were approved by the Board of Management on 26th June 2025.

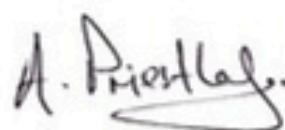
Signed on behalf of the Board:



Board Chair



Board Member



Secretary



**GROUP & PARENT
STATEMENT OF CHANGES IN RESERVES
AT 31ST MARCH 2025**

	GROUP		TAI TARIAN	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At beginning of year	135,855	127,932	135,855	127,932
Surplus for the year	3,081	8,213	3,081	8,213
Actuarial loss	(430)	(290)	(430)	(290)
At end of year	138,506	135,855	138,506	135,855



**GROUP & PARENT
STATEMENT OF CASH FLOW
AT 31ST MARCH 2025**

		GROUP		TAI TARIAN	
	Note	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Net cash generated from operating activities	26	22,643	24,414	22,433	24,318
Cash flow from investing activities					
Purchase of tangible fixed assets		(31,784)	(25,502)	(31,784)	(25,502)
Proceeds from disposal of tangible fixed assets		52	141	52	141
Grants received		7,208	10,355	7,208	10,355
Interest received		672	1,332	672	1,332
		(23,852)	(13,674)	(23,852)	(13,674)
Cash flow from financing activities					
Interest paid		(8,619)	(6,988)	(8,619)	(6,988)
New loans		74,000	-	74,000	-
Repayment of borrowing		(84,125)	(7,500)	(84,125)	(7,500)
		(18,744)	(14,488)	(18,744)	(14,488)
Net change in cash and cash equivalents		(19,953)	(3,748)	(20,163)	(3,844)
Cash and cash equivalents at beginning of the year		28,631	32,379	28,083	31,927
Cash and cash equivalents at the end of the year		8,678	28,631	7,920	28,083



1. ACCOUNTING POLICIES

Basis of Accounting

Tai Tarian is a Co-operative and Community Benefit Society incorporated in Wales and is a Registered Social Landlord. The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP) and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. Tai Tarian is a public benefit entity, as defined in FRS 102, and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

The accounting policies within this note have been applied consistently.

Basis of Consolidation

The Group financial statements consolidate the financial statements of Tai Tarian and its subsidiary as at 31st March. The organisation is required under the Co-operative and Community Benefit Societies Act 2014 to prepare Group Accounts. The consolidation has been carried out in accordance with current accounting standards in order to show the financial information for the Group as a single economic entity. Where any conflict arises between the Housing SORP 2018 and applicable financial reporting standards, then the Housing SORP 2018 prevails.

Subsidiaries are consolidated from the date of acquisition. This is the date upon which the Group achieves control. This is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries continue to be consolidated until the Group ceases to have control, with any minority interest of other shareholders removed in accordance with FRS102. Intra-group balances, losses and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Going Concern

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

On this basis, the Board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.



Turnover

Turnover represents rental and service charges receivable (net of rent and service charge losses from empty properties). It also includes revenue grants reimbursing specific expenditure items, amortisation of Social Housing and other Government grants and other sundry income receivable. Rental and service charge income is recognised in line with occupation contracts and lease agreements.

Social Housing Grant (SHG) and other Government Grants

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis, over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred it is recognised as revenue in the period in which it becomes receivable.

Dowry Gap Funding is recognised in income over the period in which the grant is intended.

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

Housing Finance Grant (HFG)

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

Upon receipt of the grant payments, the debtor decreases by the capital element and the difference between this, and the amount of grant received is credited to surplus or deficit in the Statement of Comprehensive Income as a contribution towards the financing cost of that scheme.

The capital grant element of HFG previously received is deemed to be repayable upon disposal of a related housing asset.

Recycling of Grants

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



NOTES TO THE FINANCIAL STATEMENTS

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

Capital Expenditure

Capital expenditure is defined as expenditure where the benefits last more than 12 months and relates to the acquisition, creation, or enhancement of a fixed asset such as land, housing properties, new buildings, vehicles, furniture, and equipment. This is different to revenue spending, which covers day-to-day items to run services such as staffing and purchase of services.

A de-minimis cost threshold of £1,000 for capitalisation applies to other fixed assets.

Any abortive costs incurred relating to developments that do not proceed are written off to the Statement of Comprehensive Income in the year.

Intangible Assets

Intangible assets are stated at historic cost, less accumulated amortisation, and any provision for impairment. Amortisation is provided on all intangible assets at rates calculated to write off the costs of each asset on a straight-line basis over its expected useful life.

Intangible assets include capitalised salaries in respect of in-house development of software, creating internally generated assets.

Fixed Assets

Fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. The surplus or deficit made on the disposal of fixed assets is recognised in the Statement of Comprehensive Income in the period of disposal.

Housing Properties

Housing Properties are those available for rent.

Housing properties principally comprise:

1. The properties transferred from Neath Port Talbot County Borough Council (NPTCBC) on 4th March 2011 which were initially recorded at nil cost and subsequently include the value of the works required to bring them up to Welsh Housing Quality Standard.
2. Purchased properties cost is the cost of acquiring the property plus associated fees and works required to bring them into use.
3. New development is where new homes are commissioned and built. These properties are held at cost. The development cost of properties includes the following:
 - Cost of land and buildings
 - Professional fees
 - Management costs directly related to the development scheme



- Interest incurred during the development period is capitalised and added to the cost of completed housing properties based on the organisation's net investment and its average borrowing costs during the year
- Provision for the cost of work completed but not paid for at the year end.

The cost of housing properties includes directly attributable costs in bringing them into working condition for their intended use or developing new properties. Directly attributable costs are the labour costs of the organisation's employees arising directly from the construction or acquisition of property and incremental costs that would have been avoided only if individual properties had not been constructed or acquired.

Expenditure on existing housing properties is capitalised to the extent that it improves the economic benefit of the asset. Such enhancement can occur if the improvements result in either:

- An increase in rental income
- A material reduction in future maintenance costs
- A significant extension to the life of the property
- A significant increase in the market value of the property.

Only main component improvements that meet these criteria are capitalised and these are depreciated over their estimated component life span, on a straight-line basis.

Depreciation periods are shown below. All other costs are written off to the Statement of Comprehensive Income as incurred.

Surpluses or deficits on sale of properties are recognised at the date a sale becomes certain. The surplus or deficit is the difference between the sale price and the aggregate of the depreciated cost and any allocated cost of disposal such as legal and valuation fees.

Depreciation

Freehold Land

Freehold land is not depreciated.

Housing Properties and office premises

Depreciation of buildings is charged by component so as to write down the net book value to their residual value on a straight-line basis from first full year in use, over their estimated useful economic lives to the business.



NOTES TO THE FINANCIAL STATEMENTS

The estimated economic lives of the principal components are as follows:

Structure	100 years
Roof Structure and Coverings	40 years
External Wall Finish	30 years
Electrical Installations	30 years
Doors	25 years
Windows	25 years
Bathrooms	25 years
Kitchens	15 years
Heating	15 years
Landscaping and Groundworks	60 years

Other Fixed Assets

Depreciation is calculated to write off the cost of the fixed asset less any residual value, on a straight-line basis over its estimated useful economic life. The rates used for other assets are:

Office furniture and other equipment	5-10 years
IT	2-5 years

Intangible Assets

Computer Software	2-5 years
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Leaseholders

Where the rights and obligations for maintaining housing property reside with the leaseholder or tenant, any expenditure on works to maintain such properties incurred by Tai Tarian is recharged to the leaseholder and recognised in the Statement of Comprehensive Income along with the corresponding income from the Leaseholder or tenant.

Impairment

Housing properties are subject to an annual impairment review in accordance with FRS 102. Any impairment of fixed assets is written down to the recoverable amount and the write down is charged to the Statement of Comprehensive Income. Impairment is recognised when the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use.

Investment in Subsidiary

Investment in the subsidiary is accounted for at cost less any impairment.



NOTES TO THE FINANCIAL STATEMENTS

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less and bank overdrafts. Bank overdrafts, where applicable, are shown within borrowings in current liabilities.

Financial instruments

Financial assets carried at amortised cost

Financial assets comprise rent and service charge arrears, other debtors, prepayments and cash and cash equivalents. Where the effect of discounting is material, financial assets are measured at amortised cost using the effective interest method.

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

Financial liabilities carried at amortised cost

Financial liabilities include trade and other creditors and interest-bearing loans and borrowings.

Loans which are classed as basic financial instruments under FRS 102 are measured at amortised cost using the effective interest method, with interest and related charges recognised as an expense in finance costs in the Statement of Comprehensive Income.

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

Stocks

Stocks are stated at the lower of cost or net realisable value, measured on a first in first out basis. Cost includes all costs incurred in bringing each item to its present location and condition.

Bad and Doubtful Debts

Provision is made against rent and service charge arrears for both current and former tenants and against sundry debts to the extent that they are considered by management as irrecoverable.

Concessionary Loans

The Group receives loans at a subsidized rate from Welsh Government. As the organisation meets the definition of a public benefit entity, the organisation initially measures these loans at the amount received and recognised in the Statement of Financial Position. Annually the carrying amount of the loan is adjusted to reflect any accrued interest payable.

Operating Leases

Costs in respect of operating leases are charged to the Statement of Comprehensive Income in the period to which they relate. Operating lease premiums are accounted for within debtors as lease prepayments and are amortised over the life of the lease period.



NOTES TO THE FINANCIAL STATEMENTS

Finance Leases

Leases of assets that transfer substantially all the risks and rewards of ownership are classified as finance leases. At the commencement of the lease term, the lessor should record a finance lease in the Balance Sheet as a receivable, at an amount equal to the net investment in the lease.

Interest and Financing Costs

Financing costs are interest and other costs incurred in connection with the borrowing of funds, including fees paid to financing parties for their commitments to lend money to Tai Tarian in the future. Borrowing costs are amortised over the period that the company derives benefit from a financial instrument, such as a loan, using the effective interest rate method.

Pension Costs

The organisation is a member of the Local Government Pension Scheme (LGPS), a defined benefit scheme operated by The City and County of Swansea. Contributions are based on the advice of an independent actuary. In accordance with FRS 102, the Fund is valued by a qualified independent actuary in order to ascertain the value of the Fund at the year end. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is only recognised to the extent that it is recoverable either through reduced contributions to the plan or by way of a cash refund from the plan. For more information see Note 31.

The organisation offers a defined contribution scheme which came into effect in April 2016, this scheme is open to all employees.

Tirnod Limited has no employees therefore there is no pension scheme in place.

Taxation

Tai Tarian is treated as a charitable organisation for taxation purposes. This was confirmed by HM Revenue & Customs (HMRC) on 1st February 2011, (effective date 15th September 2010, ref no XT26558). Consequently, the surpluses derived from primary charitable activities are exempt from taxation. This treatment is reviewed annually in line with the activities undertaken by the organisation to ensure the exemption still applies.

Tirnod Limited recorded no profit or loss in the year, therefore no provision has been made for Corporation tax or any group taxation charge.

Value Added Tax (VAT)

The organisation is registered for VAT. A large proportion of its income, rents, and service charges, is exempt for VAT purposes thus giving rise to a partial exemption calculation whereby the organisation is only able to recover a proportion of its input VAT. An approved VAT Shelter is in place for housing stock transferred from NPTCBC such that VAT on works carried out under the VAT Shelter is fully recoverable.

Tirnod Limited, is separately registered for VAT and is not party to any VAT schemes.



NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

SIGNIFICANT MANAGEMENT JUDGEMENTS

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

Impairment of social housing properties

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

Estimation Uncertainty

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

Recoverability of debtors

Management has exercised significant judgement in assessing the recoverability of the amount owed in debtors. In forming this judgement, management considered the financial position of debtors, the historical pattern of repayments, and the strategic importance of the relationship between the entities. Based on available information, including recent communications and forecast cash flows of debtors, management believes that the outstanding balance is fully recoverable, and no impairment is required at the reporting date.

Bad and Doubtful Debts

Provision is made against rent and service charge arrears for both current and former tenants and against sundry debts to the extent that they are considered by management not to be recoverable at their full value. The level of provision is based on historical experience and future expectations.



NOTES TO THE FINANCIAL STATEMENTS

Economic Life of Assets

An estimation of the useful economic life of the organisation's assets are determined by management and disclosed in Note 1: Accounting Policies. The estimates are based on industry standards adjusted to reflect our own experience, quality of components and maintenance procedures. Depreciation is calculated on useful economic life of the asset and charged in the first full year the asset is brought into use and charged in full in year of disposal.

Defined Benefit Pension Scheme

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

Management have carefully considered the extent to which a pension asset should be recognised under accounting standards, which require an entity to limit the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit scheme and the asset ceiling, defined to be the present value economic benefits available in the form of refunds from the scheme or reductions to future contributions. Under IFRIC 14, a refund is available to an entity if the entity has an unconditional right to a refund. Management have taken advice to understand the circumstances under which any surplus assets might not be refunded or reduce future contributions and have made the judgement to limit the recognition of the pension asset to £Nil in line with the relevant accounting standards.



NOTES TO THE FINANCIAL STATEMENTS

3. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Income				
Rents receivable	51,410	48,041	51,410	48,041
Service charges receivable	3,351	3,279	3,351	3,279
	54,761	51,320	54,761	51,320
Welsh Government Dowry	6,200	6,200	6,200	6,200
Amortisation of Social Housing & other Government grants	982	617	982	617
Other income from social housing lettings	1,291	1,178	1,291	1,178
Turnover from social housing lettings	63,234	59,315	63,234	59,315
Expenditure				
Management costs	14,552	13,704	14,552	13,704
Service costs	4,636	4,440	4,636	4,440
Maintenance costs	18,350	16,015	18,350	16,015
Losses from bad debts	398	350	398	350
Depreciation and amortisation	12,343	11,111	12,343	11,111
Operating costs on social housing lettings	50,279	45,620	50,279	45,620
Surplus on disposal of fixed assets	52	129	52	129
Operating surplus on social housing lettings	13,007	13,824	13,007	13,824
Rent loss due to voids (memorandum note)	(862)	(1,012)	(862)	(1,012)

4. SURPLUS ON DISPOSAL OF FIXED ASSETS

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Disposal proceeds	55	142	55	142
Disposal costs	(3)	(13)	(3)	(13)
Surplus on disposal	52	129	52	129



5. INTEREST RECEIVABLE

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank and short term deposit interest receivable	539	1,372	539	1,372

6. INTEREST AND FINANCING COSTS

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank interest payable and similar charges	4,271	6,729	4,271	6,729
Non-utilisation fees	65	230	65	230
Refinancing breakage costs	5,350	-	5,350	-
Amortisation of deferred financing costs	829	64	829	64
	10,515	7,023	10,515	7,023

Bank interest payable and similar charges includes security and other fees paid. Non-utilisation fees relate to charges incurred on the loan balance not yet drawn.

In line with requirements of FRS 102 the amortisation of deferred financing costs represents the allocation to the current year of arrangement fees for the loan facility combined with the effect of smoothing interest charges over the life of the loan using the effective interest rate method.



7. OPERATING SURPLUS

Operating surplus for the year is stated after charging:

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Depreciation and amortisation of fixed assets	11,610	10,943	11,610	10,943
Accelerated depreciation on component disposal	733	168	733	168
Amortisation of deferred Government grants	(982)	(617)	(982)	(617)
Operating leases				
- Property	64	66	64	66
- Vehicles	631	547	631	547
- Other	281	248	281	248
Auditor's remuneration (inclusive of VAT)				
- Statutory audit fees	30	29	30	29
- Other professional fees	1	1	1	1

8. EMPLOYEE NUMBERS AND COSTS

The average monthly number of staff - full time equivalent, comprising of the following service areas, was:

	GROUP		TAI TARIAN	
	2025 Number	2024 Number	2025 Number	2024 Number
Central Support	107	77	107	77
Operational delivery				
Housing	140	139	140	139
Assets	310	294	310	294
	450	433	450	433
Total	557	510	557	510

The basis of the calculation of full-time equivalent number of employees is the total number of hours worked in each month divided by a standard 35-hour week (2024: 37-hour week), shown as an annual average. In total, the actual average monthly number of staff was 577 (2024: 525).



NOTES TO THE FINANCIAL STATEMENTS

The aggregate employment costs of these persons were as follows:

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Wages and salaries	19,391	16,778	19,391	16,778
Social security costs	1,869	1,603	1,869	1,603
Other pension costs - employer's contributions payable (Legal & General defined contribution scheme)	474	362	474	362
Other pension costs - employer's contributions payable (LGPS defined benefit scheme)	1,880	1,907	1,880	1,907
Other pension costs - difference between current and past service cost and contributions payable (LGPS defined benefit scheme)	(380)	(250)	(380)	(250)
Total	23,234	20,400	23,234	20,400

9. BOARD MEMBERS' AND DIRECTORS' REMUNERATION

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Directors				
Salaries and fees	681	589	681	589
Pension contributions	121	124	121	124
	802	713	802	713

Social security costs and irrecoverable VAT on fees which are costs to the organisation are not included in directors' remuneration.

Board members

Total remuneration paid to Board members was £90,409 (2024: £80,454). The total of expenses paid to the Board was £1,847 (2024: £1,810).

Remuneration of the highest paid director, excluding pension contributions and social security costs:

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Salary	170	159	170	159



NOTES TO THE FINANCIAL STATEMENTS

The highest paid director (Chief Executive) is an ordinary member of the LGPS pension scheme, and no enhanced special terms apply. Tai Tarian's contribution in respect of the Chief Executive's pension fund amounted to £39,441 (2024: £37,081).

The full-time equivalent number of directors who received remuneration, including pension contributions but excluding social security costs, in excess of £50,000 are shown below:

	GROUP		TAI TARIAN	
	2025 Number	2024 Number	2025 Number	2024 Number
£70,000 - £79,999	-	1	-	1
£130,000 - £139,999	1	-	1	-
£140,000 - £149,999	-	2	-	2
£150,000 - £159,999	3	1	3	1
£190,000 - £199,999	-	1	-	1
£200,000 - £209,999	1	-	1	-

In respect of Tirnod Limited, the Board members and directors are unpaid.

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

The organisation is registered with charitable status and is a registered society under the Co-operative and Community Benefit Societies Act 2014. It benefits from corporation tax exemptions available to charitable bodies. On the basis that its activities fall within its charitable purposes and its funds are applied only for these purposes, no provision for corporation tax is made.

No provision for corporation tax has been made in respect of Tirnod Limited as the company transactions gave rise to no profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

11. FIXED ASSETS - HOUSING PROPERTIES - GROUP & TAI TARIAN

	Freehold Housing Properties held for letting £'000	Freehold Housing Properties under construction £'000	Total £'000
Cost			
At beginning of year	308,398	17,248	325,646
Reclassification	(51)	-	(51)
Additions during the year:			
Completed properties acquired	1,567	-	1,567
Components capitalised	17,513	11,429	28,942
Transfers on completion	13,030	(13,030)	-
Disposals during the year	(1,325)	-	(1,325)
At 31st March 2025	339,132	15,647	354,779
Depreciation			
At beginning of year	(81,103)	-	(81,103)
Reclassification	3	-	3
Charged during the year	(11,927)	-	(11,927)
Eliminated on disposals	1,286	-	1,286
At 31st March 2025	(91,741)	-	(91,741)
Net book value			
At 31st March 2025	247,391	15,647	263,038
At 31st March 2024	227,295	17,248	244,543

	Cost £'000	Dep'n £'000	2025 £'000	2024 £'000
Housing properties held for letting comprise:				
Freehold property capitalised repairs, replacements and improvements	291,891	(88,385)	203,506	183,410
Freehold property constructed	34,653	(1,952)	32,701	32,701
Freehold property under construction	15,647	-	15,647	17,248
Freehold property acquired	12,588	(1,404)	11,184	11,184
	354,779	(91,741)	263,038	244,543



NOTES TO THE FINANCIAL STATEMENTS

Houses and bedspaces in management at the end of the year	2025 Number	2024 Number
Housing accommodation		
General needs	8,734	8,697
Sheltered accommodation (Haven Housing)	433	433
	9,167	9,130
Leasehold management services	444	449
	9,611	9,579

12. OTHER FIXED ASSETS - GROUP & TAI TARIAN

	Office premises £'000	Office furniture and £'000	IT £'000	Total £'000
Cost				
At beginning of year	4,528	914	1,899	7,341
Reclassification	-	51	-	51
Additions during the year	-	390	493	883
Disposals during the year	-	-	(157)	(157)
At 31 st March 2025	4,528	1,355	2,235	8,118
Accumulated Depreciation				
At beginning of year	(1,214)	(550)	(1,749)	(3,513)
Reclassification	-	(3)	-	(3)
Charged during the year	(108)	(105)	(73)	(286)
Eliminated on disposals	-	-	157	157
At 31 st March 2025	(1,322)	(658)	(1,665)	(3,645)
Net book value				
At 31 st March 2025	3,206	697	570	4,473
At 31 st March 2024	3,314	364	150	3,828



NOTES TO THE FINANCIAL STATEMENTS

13. INTANGIBLE FIXED ASSETS - GROUP & TAI TARIAN

	Computer software £'000
Cost	
At beginning of year	1,244
Additions during the year	610
Disposals during the year	(36)
At 31 st March 2025	1,818
Amortisation	
At beginning of year	(1,031)
Charged during the year	(130)
Eliminated on disposals	36
At 31 st March 2025	(1,125)
Net book value	
At 31 st March 2025	693
At 31 st March 2024	213

14. FIXED ASSET INVESTMENTS

	GROUP		TAI TARIAN	
	2025 £	2024 £	2025 £	2024 £
Investment in subsidiaries	-	-	1	1

On 9th March 2021 Tai Tarian acquired 100% of the issued share capital of Tirnod Limited, a company incorporated in the United Kingdom. Tirnod Limited is not a Registered Social Landlord. The registered office of Tirnod Limited is set out on page 6.

The financial results and position of Tirnod Limited for the year ended 31 March 2025 have been consolidated into the group financial statements.

Aggregate share capital and reserves	£	1
Profit & Loss	£	-



15. STOCK

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Raw materials	129	132	129	132
Finished goods	48	112	48	112
Stock of materials	177	244	177	244

16. DEBTORS

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Amounts due within one year				
Arrears of rent and service charges	2,734	2,924	2,734	2,924
Less: provision for bad and doubtful debts	(1,148)	(1,123)	(1,148)	(1,123)
	1,586	1,801	1,586	1,801
VAT Shelter agreement (note 30)	10,000	10,000	10,000	10,000
Other debtors and prepayments	8,930	2,154	9,007	2,683
Less: provision for bad and doubtful debts	(802)	(704)	(802)	(704)
Lease debtor	2,030	2,692	-	-
	21,744	15,943	19,791	13,780
Amounts due after more than one year				
VAT Shelter agreement (note 30)	103,031	113,774	103,031	113,774
Other debtors and prepayments	1,130	1,179	1,130	1,179
Inter company loan	-	-	2,711	2,711
	104,161	114,953	106,872	117,664
	125,905	130,896	126,663	131,444



NOTES TO THE FINANCIAL STATEMENTS

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Housing loans (note 20)	175	83,171	175	83,171
Trade creditors	9,721	7,277	9,721	7,277
Taxation and social security	461	392	461	392
Rent and service charges received in advance	951	449	951	449
Deferred Income: Social Housing and other Government Grants	1,265	876	1,265	876
VAT Shelter agreement (note 30)	10,000	10,000	10,000	10,000
Other creditors	5	5	5	5
Grants received in advance	1,014	2,014	1,014	2,014
	23,592	104,184	23,592	104,184

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

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Housing loans (note 20)	80,476	7,603	80,476	7,603
Trade creditors	438	670	438	670
Deferred Income: Social Housing and other Government Grant	56,921	46,269	56,921	46,269
VAT Shelter agreement (note 30)	103,031	113,774	103,031	113,774
	240,866	168,316	240,866	168,316



NOTES TO THE FINANCIAL STATEMENTS

19. DEFERRED INCOME - GOVERNMENT GRANTS - GROUP & TAI TARIAN

	Freehold Housing Properties held for letting £'000	Freehold Housing Properties under construction £'000	Other Fixed Assets £'000	Recycled Capital Grant Fund £'000	Total £'000
Grants					
At beginning of year	30,117	19,764	57	53	49,991
Transferred on completion	8,646	(8,646)	-	-	-
Additions during the year	7,670	4,343	-	-	12,013
At end of year	46,433	15,461	57	53	62,004
Amortisation of Grants					
At beginning of year	(2,835)	-	(11)	-	(2,846)
Charge for the year	(961)	-	(11)	-	(972)
At end of year	(3,796)	-	(22)	-	(3,818)
Net book value					
At 31 st March 2025	42,637	15,461	35	53	58,186
At 31 st March 2024	27,282	19,764	46	53	47,145
Amounts falling due:					
Due within one year	1,201	-	11	53	1,265
Due after one year	41,436	15,461	24	-	56,921

20. DEBT ANALYSIS

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank & Welsh Government Loans				
On demand or within one year	250	84,000	250	84,000
Less: transaction costs on issue	(75)	(829)	(75)	(829)
	175	83,171	175	83,171
Between one and two years	250	-	250	-
Between two and five years	10,000	-	10,000	-
After five years	71,104	7,729	71,104	7,729
Less: transaction costs on issue	(878)	(126)	(878)	(126)
	80,476	7,603	80,476	7,603
	80,651	90,774	80,651	90,774



NOTES TO THE FINANCIAL STATEMENTS

Bank Loans

Syndicated Facility (prior to May 2024):

At the time of transfer, Tai Tarian entered into a facility agreement with a syndicate of three lenders: Santander, Nationwide, and RBS (the "Syndicate"). As at 31 March 2024, £84.0m had been drawn under this facility, with £13.3m remaining undrawn, giving a total facility limit of £97.3m.

Treasury Restructure (effective 1 May 2024):

On 1 May 2024, Tai Tarian completed a significant treasury restructure, entering into new facility agreements with Just Group, Danske Bank, and Barclays. The restructure involved the full repayment of the £84.0m Syndicate borrowing and payment of £5.4m in costs associated with breaking the fixed-rate components of those loans.

The restructure resulted in the following new funding arrangements:

Funder	Amount	Term
Barclays	£30m	Revolving Credit Facility – 5-year term
Danske Bank	£25m	15-year term
Just Group	£40m	Private Placement – 34-year fixed rate

Tai Tarian also utilised surplus cash reserves to reduce overall borrowing, enhancing treasury efficiency.

Borrowings as of 31 March 2025: £73.88m had been drawn across the new facilities, comprising:

Funder	Borrowing
Barclays	£9.00m
Danske Bank	£24.88m
Just Group	£40.00m

The maturity and interest rates applicable to the loans outstanding at year end are as follows:

Lender	Loan	Fixed / Variable	Facility (£m's)	Drawn Balance (£m's)	Interest Rate	Maturity
Just Group	34yr Private Placement	Fixed	40.00	40.00	5.80%	01/05/2058
Danske Bank	15yr Term Loan	Variable	12.50	12.50	5.90%	30/04/2039
		Fixed	12.38	12.38	5.14%	30/04/2039
Barclays Bank	RCF	Variable	30.00	9.00	5.65%	30/04/2029
	Total		94.88	73.88		

At 31 March 2025, the organisation has unutilised facilities of £21m (2024: £13.3m).



NOTES TO THE FINANCIAL STATEMENTS

Housing loans are secured by fixed charges over the organisation's housing stock.

In March 2025, Tai Tarian initiated discussions with Danske Bank regarding the possibility of fixing £6.0 million of its £12.5 million variable facility. Following these discussions, Tai Tarian submitted a Fixed Rate Notice to Danske Bank on 11 April, and the £6.0 million was successfully fixed on 30 April 2025.

In addition, £7.6m remained outstanding under Welsh Government loan arrangements.

Welsh Government Loans

Tai Tarian has two interest-free loans in place with the Welsh Government:

£2.85m, repayable in 2031, supports collaboration with Sevenoaks Modular Ltd. This loan is being used to acquire new equipment and platform infrastructure, significantly expanding timber frame and modular build capacity at the factory.

£4.88m, repayable in 2040, supports the refurbishment of County Flats. This flagship hybrid development includes the refurbishment of 72 existing properties and the construction of 55 new homes using Modern Methods of Construction (MMC).

Facility	Type	Balance (£m's)	Total	Maturity	Repayment
Sevenoaks Modular	Interest Free	2.85	0.00%	2031	Bullet
County Flats	Interest Free	4.88	0.00%	2040	Bullet
Welsh Government Loans	Total	7.73			

21. NON-EQUITY SHARE CAPITAL

Shares held by members - £1 each fully paid and issued:

At beginning of the year

Issued during the year

Cancelled during the year

At end of the year

GROUP		TAI TARIAN	
2025 £	2024 £	2025 £	2024 £
213	218	213	218
3	8	3	8
(10)	(13)	(10)	(13)
206	213	206	213

The shares provide all members (apart from associates and leaseholders over 5% of the total number of shareholders) with the right to vote at general meetings, but do not provide any rights to dividends, redemption or distribution following a winding up. Details of the membership and their voting rights are set out below:

Category	Member	Voting Shares
Tenant	164	164
Leaseholder	5	5
Independent	10	10
Associate	27	0
Total	206	179



The Associate members cannot vote in general meetings but are eligible to take part in other membership committees and forums.

The rules of the organisation state that most decisions at general meetings can be settled by a simple majority of voting shares. Certain matters, such as Rule changes, can only be amended or rescinded by way of a written resolution or by the percentage of votes cast at a general meeting.

22. FINANCIAL INSTRUMENTS

		GROUP		TAI TARIAN	
	Note	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial assets					
Measured at undiscounted amount receivable					
Rent arrears and other debtors	16	125,905	130,896	126,663	131,444
Financial liabilities					
Measured at amortised cost					
Loans payable	20	80,651	90,774	80,651	90,774
Measured at undiscounted amount payable					
Trade and other creditors	17,18	183,807	181,727	183,807	181,727
		264,458	272,501	264,458	272,501

The group's income, expense, gains and losses in respect of financial instruments are summarised below:

		GROUP		TAI TARIAN	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Interest income and expense					
Total interest payable and similar charges for financial liabilities at amortised cost	6	(10,515)	(7,023)	(10,515)	(7,023)

23. RELATED PARTY TRANSACTIONS

All transactions with related parties are made at arm's length, on normal commercial terms and the related parties cannot use their position to their advantage.

During the year the organisation provided rented accommodation to 3 (2024: 5) Board members. The total rent payable was £18,915 (2024: £18,796). At the year-end £184 (2024: £433) was owed to the organisation, of which £184 (2024: £433) was overdue. In addition, rented accommodation was provided to no close relatives (2024: 1) of Board members.

During the year the organisation made payments of £185,417 (2024: £263,138) to NPTCBC relating to Upvc factory rent, rates, and service level agreements. As at the year end, the organisation owed NPTCBC a total of £Nil (2024: £496) and was owed a total of £Nil (2024: £Nil) by NPTCBC.

No expenses have been incurred during the year relating to debt due from related parties.



NOTES TO THE FINANCIAL STATEMENTS

The Group has taken exemption under paragraph 33.1A of FRS102 in relation to related party transactions between members of the Group which are wholly owned subsidiaries.

24. OPERATING LEASES - GROUP & TAI TARIAN

Total future minimum lease payments under non-cancellable operating leases as follows:

Lease payments due:

within 1 year

between two and five years

in over 5 years

2025		2024	
Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
57	672	64	501
227	1,499	213	454
291	-	323	-
575	2,171	600	955

25. CAPITAL COMMITMENTS

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Expenditure contracted but not provided for	18,217	18,742	18,217	18,742
Expenditure authorised by the Board but not contracted	12,305	8,783	12,305	8,783
	30,522	27,525	30,522	27,525

Capital commitments are those which are due within a year, of which £13.3m (2024: £13.1m) relate to major works and will be funded by cash generated from operations, grant income and our existing loan facilities as detailed in Note 20.



NOTES TO THE FINANCIAL STATEMENTS

26. NET CASH GENERATED FROM OPERATING ACTIVITIES

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Surplus for the year	3,081	8,213	3,081	8,213
Adjustments for non-operating activities				
Surplus on disposal of fixed assets	(52)	(129)	(52)	(129)
Interest receivable	(539)	(1,372)	(539)	(1,372)
Interest payable	9,686	6,959	9,686	6,959
Local Government Pension Scheme (LGPS) net financing gain	(50)	(40)	(50)	(40)
Adjustments for non-cash items				
Amortisation of intangible assets	130	55	130	55
Depreciation of tangible fixed assets	12,213	11,056	12,213	11,056
Amortisation of deferred grant income	(982)	(617)	(982)	(617)
Amortisation of deferred financing costs	829	64	829	64
Pension costs less contributions payable	(380)	(250)	(380)	(250)
Decrease in debtors	8,792	9,705	8,582	9,609
Decrease in creditors	(10,152)	(9,166)	(10,152)	(9,166)
Decrease/(Increase) in stocks	67	(64)	67	(64)
Net cash generated from operating activities	22,643	24,414	22,433	24,318

27. RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS/(DEBT)

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Decrease in cash	(19,953)	(3,748)	(20,163)	(3,844)
Decrease in loans	10,125	7,500	10,125	7,500
(Increase)/Decrease in net debt	(9,828)	3,752	(10,038)	3,656
Net debt at start of year	(63,098)	(66,850)	(63,646)	(67,302)
Net debt at end of year	(72,926)	(63,098)	(73,684)	(63,646)



NOTES TO THE FINANCIAL STATEMENTS

28. ANALYSIS OF NET DEBT

GROUP

	Cash at bank & in hand	Loans due in less than one year	Loans due in more than one year	Changes in net debt
	£'000	£'000	£'000	£'000
At beginning of year	28,631	(84,000)	(7,729)	(63,098)
Net cash flows	(19,953)	83,750	(73,625)	(9,828)
At 31 st March 2025	8,678	(250)	(81,354)	(72,926)

TAI TARIAN

	Cash at bank & in hand	Loans due in less than one year	Loans due in more than one year	Changes in net debt
	£'000	£'000	£'000	£'000
At beginning of year	28,083	(84,000)	(7,729)	(63,646)
Net cash flows	(20,163)	83,750	(73,625)	(10,038)
At 31 st March 2025	7,920	(250)	(81,354)	(73,684)



29. FREE CASH FLOW

	GROUP		TAI TARIAN	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Net cash generated from operating activities	22,643	24,414	22,433	24,318
Interest paid	(8,619)	(6,988)	(8,619)	(6,988)
Interest received	672	1,332	672	1,332
Taxation paid	-	-	-	-
Adjustments for reinvestment in existing properties				
Component replacements	(17,513)	(11,180)	(17,513)	(11,180)
Purchase of other replacement fixed assets	(1,493)	(418)	(1,493)	(418)
Component replacement grant received	-	-	-	-
Free cash consumed before loan repayments	(4,310)	7,160	(4,520)	7,064
Loans repaid (excluding revolving credit and overdrafts)	(84,125)	(7,500)	(84,125)	(7,500)
Free cash consumed after loan repayments	(88,435)	(340)	(88,645)	(436)

Included in interest paid is £5.4m of breakage costs following the organisation's refinancing. See note 6 for more details.

30. VAT SHELTER / DEVELOPMENT AGREEMENT

Upon the transfer of the housing stock, NPTCBC contracted Tai Tarian to carry out an agreed schedule of refurbishment works to the properties (the Development Agreement). The work was costed at £346.3 million of which £233.3 million (2024: £222.6m) has been completed.

The cost to NPTCBC of these works was offset by an equal increase in the purchase price for the housing stock paid by Tai Tarian, and payment between the parties was assumed to have taken place on the transfer date. In accordance with FRS 102, the resulting debtor and creditor are disclosed separately in the financial statements. The arrangement constitutes an allowable VAT shelter, whereby Tai Tarian is able to reclaim VAT charged by suppliers and contractors in fulfilling the works.

It is forecast that the work will be performed over a 15-year period and the costs will be capitalised as they are incurred, in accordance with the organisation's accounting policy. Should the work



not be completed as specified, the Development Agreement may be terminated with no financial loss to Tai Tarian.

31. PENSION

The organisation is an admitted body to the Local Government Pension Scheme (LGPS) operated by the City and County of Swansea (the Fund). The organisation was admitted to the Scheme on 4th March 2011.

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Employer and employee contributions in the period totalled £2.44m (2024: £2.45m).

In accordance with the requirements of FRS 102, the Fund has been valued by a qualified independent actuary, Aon Hewitt Limited in order to ascertain the value of the Fund as at the year end.

The Fund Regulations require that a full actuarial valuation is carried out every third year, the purpose of this being to establish that the Fund is able to meet its liabilities to past and present contributors and to review employer contribution rates. The last full actuarial valuation as at 31st March 2022 was prepared by Aon Hewitt Limited.

The FRS 102 accounting results at 31st March 2025 have resulted in a decrease in the amount recognised in the Statement of Comprehensive Income, with an actuarial loss of £0.4m (2024: £0.3m) and within the Statement of Financial Position, there has been no movement in the pension asset/liability as it remains restricted at Nil. Although the net return on assets over the period has been higher than expected the impact of changes to assumptions has had a significant impact on liabilities.

Principal assumptions used within this valuation were:

	2025	2024
	% pa	% pa
CPI Inflation	2.5	2.6
Pension accounts revaluation rate	2.5	2.6
Rate of increase in salaries	4.0	4.1
Rate of increase in pensions	2.5	2.6
Discount rate	5.8	4.8

Mortality assumptions:

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. The assumed life expectations on retirement at age 65 are:



	2025 Years	2024 Years
Males		
Retiring today	21.6	21.7
Retiring in 20 years	21.9	22.4
Females		
Retiring today	24.2	24.3
Retiring in 20 years	25.0	25.3

The analysis of the Fund assets was as follows:

	31 st March 2025 % pa	31 st March 2024 % pa
Equities	67.0	69.2
Government bonds	0.7	0.9
Other bonds	0.0	0.0
Property	2.8	3.2
Multi asset credit	0.0	2.1
Cash/liquidity	0.3	0.6
Other	29.2	24.0
Total	100.0	100.0

Other holdings include hedge funds, currency holdings, asset allocation futures and other financial instruments.

Amounts recognised in the Statement of Comprehensive Income

	2025 £'000	2024 £'000
Current service cost	1,500	1,640
Past service cost	-	-
Interest on pension liabilities	3,750	3,700
Interest income on assets	(4,750)	(4,110)
Interest on unrecognised asset	950	370
Pension cost expensed	1,450	1,600
Recognised in other comprehensive income	430	290
Total pension cost recognised in the Statement of Comprehensive Income	1,880	1,890



NOTES TO THE FINANCIAL STATEMENTS

Amount included in the Statement of Financial Position	2025 £'000	2024 £'000
Present value of scheme liabilities	(66,270)	(79,900)
Fair value of scheme assets	99,430	99,770
Unrecognised asset	(33,160)	(19,870)
Asset/(Liability) in the scheme	-	-

Movements in the present value of defined benefit obligations during the year:

	2025 £'000	2024 £'000
Opening present value of liabilities	79,900	79,500
Current service cost	1,500	1,640
Interest cost	3,750	3,700
Contributions by the participants	560	560
Past service cost	-	-
Actuarial gains on liabilities	(15,380)	(3,150)
Benefits and transfers paid	(4,060)	(2,350)
Total value of liabilities	66,270	79,900

Movements in the fair value of scheme assets during the year:

	2025 £'000	2024 £'000
Opening fair value of assets	99,770	87,320
Interest income on assets	4,750	4,110
Actuarial (losses)/gains on assets	(3,470)	8,240
Contributions by the employer	1,880	1,890
Contributions by the participants	560	560
Benefits and transfers paid	(4,060)	(2,350)
Total fair value of plan assets	99,430	99,770

Interest income on assets	4,750	4,110
Actuarial (losses)/gains on assets	(3,470)	8,240
Actual return on assets	1,280	12,350



NOTES TO THE FINANCIAL STATEMENTS

Discount rate assumption

Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£m)	65.14	66.27	67.40
% change in present value of total obligation	-1.7%		1.7%
Projected service costs (£m)	0.97	1.02	1.07
Approximate % change in projected service cost	-4.5%		4.6%

Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£m)	66.47	66.27	66.07
% change in present value of total obligation	0.3%		-0.3%
Projected service costs (£m)	1.02	1.02	1.02
Approximate % change in projected service cost	0.0%		0.0%

Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption

Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£m)	67.20	66.27	65.34
% change in present value of total obligation	1.4%		-1.4%
Projected service costs (£m)	1.07	1.02	0.97
Approximate % change in projected service cost	4.6%		-4.5%

Past retirement mortality assumption

Adjustment to mortality age rating assumption*	-1 year	Base figure	+1 year
Present value of total obligation (£m)	67.79	66.27	64.75
% change in present value of total obligation	2.3%		-2.3%
Projected service costs (£m)	1.06	1.02	0.98
Approximate % change in projected service cost	3.7%		-3.8%

