Tai
Tarian

Consolidated Report & Financial Statements 2025/26

Contents

Board Members

	Co-Opted	Appointed	Resigned
Fiona Jones - Chair	1st June 2024	23rd July 2024	
Shelley Bosson - Vice Chair	22nd September 2016	24th July 2018	22nd July 2025
Mike Jones	25th May 2017	24th July 2018	22nd July 2025
Andrew Lycett	28th March 2019	23rd July 2019	
Jonathan Hughes	1st July 2019	23rd July 2019	26th February 2026
Rachel Rees	ist October 2020	27th July 2021	
Lisa Murray	1st October 2020	27th July 2021	
Phineas Brooks	1st October 2022	25th July 2023	
Ananda Woodley	ist December 2022	25th July 2023	
Huw Freeman	1st December 2022	25th July 2023	
Ceri Wiggins	25th July 2023	25th July 2023	
Natalie Morgan	19th December 2023	23rd July 2024	
Rowland Jones	1st December 2024	22nd July 2025	
Lianne Caulfield	ist December 2024	22nd July 2025	

Executive Management Team

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

Other information

Registered Office:
Ty 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

Bankers:

Barclays Bank
6th Floor
5 Callaghan Square
Cardiff
CF10 SBT

Funders:

Danske Bank	Barclays Bank PLC	Just Retirement Ltd
Donegal! Square	6th Floor	Enterprise House
West	5 Callaghan	Bancroft Road
Belfast	Square	Surrey
BTI 6JS	Cardiff	RH2 7RP
	CF10 SBT	

Solicitors:

Hugh James	Devonshires	Blake Morgan
Two Central	30 Finsbury	One Central
Square	Circus	Square
Cardiff	London	Cardiff
CF10 IFS	EC2M 7DT	CF10 IFS

Welsh Government Registration No: L154

FCA Company Registration No: 31041R

Subsidiary Companies

Company	Company No
Tirnod Limited	12761146

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

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

Directors

Jonathan Hughes Resigned - 23rd July 2025

Andrew Carey

Natalie Morgan

Nicholas Tagg

Rowland William Parry Appointed - 23rd July 2025

Company Secretary

Angela Priestley Appointed - Ist April 2025

The Board presents its Strategic Report, Board Report and the audited Financial Statements for Tai Tarian (the Group) for the year ended 3I5[1] March 2026.

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 9,229 rented properties, 436 leasehold flats, 17 shops and 782 garage plots as of 31st March 2026.

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 2025-2030

Our Corporate Plan was developed to take us from 2025 to 2030 and sets out our vision and strategic goals. Launched in June 2025, it focuses on four high level themes and eight priorities, as follows:

Theme 1: Sustainable Homes - Creating homes where people can thrive
We will:

- Provide and manage great homes that meet the evolving needs of our customers
- Provide tailored services to support tenants in their homes

What this means to us:

We will provide warm, energy-efficient homes to our customers with the aim of sustaining successful tenancies. We commit to developing new homes to the highest standards that address wider community need in line with Welsh Government priorities. We will invest in our homes to create spaces that our tenants can be proud of. We will involve our tenants in the re-design of any services, remembering the person at the centre of every process.

Theme 2: Sustainable Communities - Communities achieving their full potential

We will:

- Use of assets, resources and opportunities to benefit local communities in meaningful ways
- Work with our partners to create places in which people are proud to live

What this means to us:

We will work with tenants to better understand their needs, ensuring their voices are heard and reflected in our service provision. We will work with our key partners and contractors to provide tailored programmes and activities in schools to encourage an interest in biodiversity and careers in housing. We will be focussed in our use of targeted recruitment and training initiatives to encourage job creation, green skills development, and construction opportunities. Working alongside our partners we will make sure that community benefit money is invested in the right areas, driven by clear and informed community plans.

Theme 3: Sustainable Planet - Changing our behaviours today for the generations of tomorrow

We **will:**

- Make bold decisions on our carbon neutrality journey
- Achieve our environmental impact ambitions by working alongside our tenants and communities

What this means to us:

We will seek to decarbonise our homes through our own sustainability strategy in line with Welsh Government policies. We will improve our homes to the highest achievable standard, ensuring they are safe, energy and cost efficient so that our tenants enjoy better standards of living.

Theme 4: Sustainable Business - Working together for a brighter future

We will:

- Operate as a strong, financially sound business, driven by colleagues who feel valued and deliver excellent customer service
- Transform our business by building on brilliant basics to continuously improve

What this means to us:

Working together, we will foster an inclusive and ambitious organisation driven by colleagues who care deeply about our shared values and vision. Through rigorous financial and regulatory management, we can ensure a business fit for the future, open to growth and capable of weathering any storms that may come.

DEVELOPMENT AND ACQUISITION OPPORTUNITIES

The continued 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, as well as contributing to improving the strength of the organisation.

However, we prioritise provision of the right, safe, affordable and efficient homes in the right location for the people who need them most, as part of our growth strategy as opposed to simply focusing on delivering volume and unit numbers.

During 2025/26, Tai Tarian has successfully delivered 45 new homes which includes 14 units as part of the final phase of handover at County Flats and 18 units at Eagle House, Port Talbot. Also, 13 of the 43 new homes were handed over at Heol Crwys, Cwmavon.

We have also continued to pursue strategic acquisitions, securing 18 acquisitions of smaller, high demand properties to combat the high levels of homelessness currently being faced across Neath Port Talbot. We have effectively used Transitional Accommodation Capital Programme {TACP) in 2025/26, benefitting from just over £1.41m of capital funding.

Completed Sites

County Flats Phase 1

The remaining 14 new-build and 24 refurbished properties were completed and handed over as part of the final phase of this project at County Flats in Sandfields, Port Talbot.

The 14 new-build units were delivered via a combination of a fully modular and closed timber panelised system, which were constructed and supplied by Seven Oaks Modular. The units were produced in the modular production facility, based in the former Metal Box factory in Milland Road, Neath, less than 7 miles from the site.

Over £8.0m of capital grant was secured from Welsh Government via Social Housing Grant {SHG), Innovative Housing Programme {IHP) and Optimised Retrofit Programme {ORP), as part of this flagship project which delivered a 'hybrid' approach to incorporate new-build and refurbishment as part of a wider regeneration strategy.

With handover of the final phase the project is now complete and is within the defect liability period {OLP).

Eagle House

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

The scheme achieved practical completion on 6th January and is now within the defect liability period.

The scheme has received over £2.Sm in Social Housing Grant support from Welsh Government, as well as £0.2m from the Homes as Power Stations {HAPS) programme.

Live/Ongoing Development Schemes

Heol Crwys

The scheme involved the demolition of the existing 30 post Second World War prefabricated properties, which were originally designed/constructed as temporary accommodation, and the construction 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 we have now handed over 13 of the 43 total properties with another phase due to hand over in the Autumn.

The scheme received a Social Housing Grant {SHG) allocation of £5.9m and an additional £0.9m from the Welsh Government Land & Buildings Development Fund {LBDF) associated with the ground remediation.

Tudor Inn, Cimla

This scheme comprises of 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.

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 scheme has been allocated £4.3m in Social Housing Grant (SHG) and is due for completion in early 2027.

Red Dragon

The project involved the redevelopment of a former public house to provide 22 new 1 bedroom and 2-bedroom properties adjacent to the recently completed County Flats scheme.

The scheme was presented as a package deal by local developer Castell Group, who took possession of the site on 22nd March 2026.

Site set up is currently ongoing with the demolition of the existing building due to commence mid-April 2026. The scheme has secured £3.9m in Social Housing Grant (SHG), of which, £1.9m was drawn in March 2026.

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 in the latter stages of design, and we are due to submit the full planning application early Summer 2026.

The current iteration of the scheme proposes partial demolition, construction of 124 new units, and refurbishment of the remaining 50 existing units.

The design process was intentionally paused to undertake additional engagement and consultation with local members and key stakeholders, but the scheme is now allocated social housing grant in the PDP for 2026/27.

The scheme is included in the main programme of the Planned Development Programme (PDP) for 2025/26 and is due to commence early in 2027 (Q4).

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 full planning application is currently being prepared for submission to the local planning authority in early Summer 2026.

A site start is anticipated mid-2027.

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 will deliver 29 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 full planning application is due to be submitted to the local planning authority in early Summer of 2026, with the scheme expected to be able to commence on site early-mid 2027.

Rhodes Avenue

This package deal opportunity could deliver 8 new units, consisting of 1- bedroom and 2-bedroom properties.

It will be delivered as a supported living scheme, in collaboration with the Local Authority via a local developer utilising a Local Authority owned site, that currently houses a derelict community building.

Terms have been agreed with the package deal contractor and solicitors have been instructed in relation to preparation of the contract.

The planning application was lodged in December 2025 with some flood concern issues currently being addressed. Determination of the application is expected shortly.

RAFA Club

This proposal is also a package deal, being a supported living proposal that will be delivered in collaboration with the Local Authority.

The scheme will provide 7 new units in Neath town centre.

Terms have been agreed with the package deal contractor and solicitors have been instructed in relation to preparation of the contract.

The planning application was lodged in January 2026, and determination of the application is expected shortly, following the request for additional drainage information as part of the submission.

Oakwood House

This potential scheme has been presented by a package deal contractor recently introduced to Tai Tarian.

The scheme would yield 24 new units in Briton Ferry, providing much needed additional 1 bedroom and 2-bedroom properties.

Terms have been agreed in respect of a collaborative package deal arrangement and solicitors have been instructed in relation to preparation of the contract.

Pipeline & Planned Development Programme {PDP) Update

As at 31st March 2026, the Welsh Government Homes and Places portal contained 25 Tai Tarian schemes for consideration as part of the 2026/27 Quarter 1 PDP. Four of the schemes have 'main' programme status, five schemes have 'reserve' status and 16 have 'proposed' status.

An additional 12 schemes that have not yet been registered on the portal are currently being assessed as part of the future pipeline. In summary, we now have 37 schemes currently being considered and assessed, which amounts to just over 1,000 units.

The Quarter 1 PDP will confirm the status of the above schemes, which are currently being shown as reserve or proposed.

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.

Issue of the 'Draft Deposit' stage has been delayed by approximately 12 months and is now expected to be published by December 2026. 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 Asset Management and Decarbonisation Service continue to work toward the organisation's goals to reduce its environmental impact and improve biodiversity in our communities. It will continue to be committed to working towards becoming carbon neutral by 2030.

The measured carbon emissions in March 2020 were 22,699 tonnes. The greatest 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 will always follow this pattern, and our focus will remain on reducing the carbon emissions produced by our properties through the introduction of onsite energy generation via solar PV and by improving the thermal efficiency of our homes thus reducing the energy requirement to heat our homes.

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

- Installing solar photovoltaic {PV) arrays on a large scale on properties identified through our target energy pathways
- Installing external wall insulation {EWI) to the fabric of our domestic stock to improve the heat retention and energy performance of the properties
- Constructing new homes to Energy Performance Certificate {EPC) A
- Introduced Air Source Heat Pump {ASHP), PV and storage batteries to 3 properties as a trial to understand the complexities of moving from a heavy carbon-based heating system to an electric based heating system with home energy generation and storage.
- Monitoring the energy usage at our offices through recommissioning the existing Building Management System to understand how we may reduce energy consumption within the office.
- Commissioned a feasibility study to explore how we might remove the existing diesel backup generator and replace with electric storage batteries powered by the electricity generated via the PV array on Ty Gwyn.

Reduction in carbon emissions has been achieved through the following initiatives during 2025/26:

- Installation of 1,642 individual solar PV arrays on properties across our stock, reducing reliance on grid electricity and hence reducing the carbon emissions of the properties.
- Improvements to the housing stock - 40 EWI installed to reduce heat loss which in turn reduces the property's heating demand.
- Installation of low carbon electric heating into two of our Haven schemes following previous trials of this type of heating system.
- Replacement of the existing gas combi boilers with electric ASHP at three properties. With the addition of PV arrays, they can produce energy to power the ASHP, and the storage batteries allow them to store excess generated energy and to benefit from electricity stored during off peak energy costs.
- A solar PV monitoring platform has been installed to complement the new solar PV array installed in 2024/25. This gives full visibility of Ty Gwyn's solar generation, consumption and export. This has highlighted that Ty Gwyn is able to operate at times fully removed from the electrical grid by using renewable energy generated on site.
- Reduction in fuel consumption and reduced mileage from the white fleet.
- A study has been completed to understand the feasibility of removing the existing diesel backup generator at Ty Gwyn and replacement with an electric storage battery, to reduce

Ty Gwyn's reliance on carbon heavy fuels and its dependence on the grid. The recommendation is that the installed battery will charge overnight using the off-peak tariff, as well as during the day when solar PV generation is available. The system will maintain a reserve level of charge to provide emergency backup in the event of a power outage, while also enabling Ty Gwyn to reduce peak demand by utilising stored energy during periods of high consumption.

- The Building Management System (BMS) monitoring platform has been reinstated, enabling Tai Tarian to monitor and adjust heating and hot water settings within the building, as well as identify any faults that may arise. Full remote access allows Tai Tarian to ensure the systems are operating efficiently and correctly configured, helping to reduce overall energy consumption.

The revised carbon value for the works completed at our domestic properties is measured via an EPC assessment on completion of improvement measure, and the resulting reduction in carbon is factored into the new carbon footprint figure.

To further reduce the carbon emissions from our housing stock, we have continued to deliver a programme of fabric improvements through the introduction of external wall insulation. Our advanced programme of fabric improvement allows us to again focus on the delivery of solar PV to a large proportion of our stock as a positive step towards the decarbonisation of the housing stock will allows on-site energy generation to be used by the homes driving down the reliance on grid energy which is a very pertinent subject during the current unstable global energy markets. Analysis of our data is showing that the introduction of PV on a property is reducing the carbon emissions by approximately 40% on average.

We have continued to benefit from grant funding from the Welsh Government's ORP (Optimised Retrofit Programme), allowing us to over double the delivery of PV for the year against the original planned numbers for the 2025/26 programme. The additional funding has been a direct result of other underspends and demonstrates that Tai Tarian are in a strong position to deliver additional works through knowledge of the stock and its requirements via the Target Energy pathways and our robust procurement processes allow for upscaling within the existing framework.

The additional funding has also allowed us to deliver the ASHP trial at three houses and is an important part of our plan as we look to understand how we might transition over to electric based heating, considering the human interaction and the financial costs for installation and running whilst also considering our drive to reduce our carbon emissions.

Over the last year, we have rolled out refinements of our Dynamic Scheduling System (real time resource allocation system) to other users across Tai Tarian's maintenance teams. The system has proven to work well for work which is high in number and short duration each day e.g. for a plumber attending four or five jobs each day to address leaks. There remains however work to do on other types of work due to certain operational and technological factors. Areas for improvement will be included in an updated version of our scheduling system, planned for completion through our Elevate programme.

The roll out and use of our van stock and systems across certain trades has been helpful in increasing first time fix rates, which currently exceed 65%. We intend on improving these further this year, aiming to complete more work not only first time, but ideally first visit.

Lastly, electrification of vehicles will continue in 2026 following a slight pause during 2025, which allowed a review of our charging infrastructure and plans necessary to support a larger electrified fleet.

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. This financial year an additional 45 members of staff have been trained and certified.

We have also trained and certified 9 students from the 'Green Skills Partnership Programme' that came to Tai Tarian on placement via our Cyfle partnership.

In addition to the numbers above, we have recently trained 10 members of staff from Cwmpas, and following the submission of pledges and certification these members of Cwmpas will become 'Train the Trainers' for their organisation.

A series of site visits has also been offered to all staff members, visiting a property which has undergone improvement measures under the Homes as Power Stations incentive so that they may learn more about the decarbonisation principles and how this is transferred to real world domestic improvement works including fabric insulation works, solar PV, battery storage and Air Source Heat Pumps.

COLLABORATION WITH SO 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.

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, with the last review being in March 2026. 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, 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 exiting 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:

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 a five-year period. As we have moved from the detailed planning stage to implementation, we recognise an increased level of risk, that 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.

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'. 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 dedicated DMC team and workstream to ensure 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.

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.

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. A few examples 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. Discretionary Assistance Fund {DAF) - accessed in emergency for food, gas, clothing etc. or as payments for white goods.

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. In 2025 Welsh Government, under Labour, signalled its support for the sector using a ten-year rent policy, which allows the organisation to plan with some certainty for the medium term. 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. Plaid Cymru have a manifesto commitment to limit rent increases to the lower of CPI/wage inflation which may impact on the current agreement.

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.

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. This agreement will be reviewed by Welsh Government in the 26/27 financial year.

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.

BUSINESS PERFORMANCE

Performance and Position

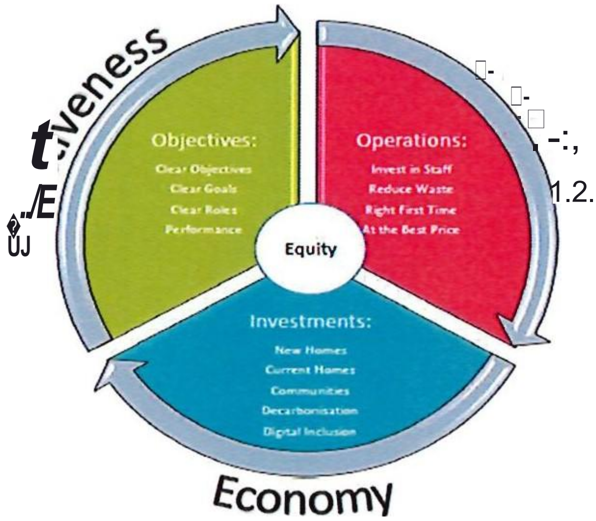
The organisation reports a surplus for the year of £9.2m {2025: £3.lm) after accounting for net interest of £3.8m (2025: £10.0m) and profit on sale of fixed assets of £0.3m {2025: £0.lm).

During the year, the organisation spent £19.5m (2025: £18.4m) on reactive, cyclical and planned repairs on its housing properties, with £33.9m {2025: £28.9m) 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 Welsh Government's Global Accounts Key Performance Indicators, which have been developed by the sector is set out below:

Key Performance Indicator	fMf-113█ Actual	tillliW:'l I.:.m!!!tl	Comment
Ooe,o			Decreased in line with above inflationary cost increases. Golden rule of above 18.5% maintained.
Gearing	**20.5%**	20.6%	Gearing remains low.
Average Interest Rate	**4.6%**	5.6%	Full benefit of refinancing realised in 2025/26.
Headline Social Housing Cost per Unit	**£6,641**	£5,807	Inflationary increases plus increased property investment (solar pv).
Management Cost per Social Housing Unit	**£1,367**	£1,319	Above inflationary impact due to increase in insurance premiums.
Routine Maintenance Cost per Social Housing Unit	**£2,254**	£2,114	Above inflationary increase across materials plus increased compliance work.
Major Repairs Cost per Social Housing Unit	**£2,594**	£1,910	Increased property investment across solar pv(partially grant funded).
void Loss per Social Housing Unit	£76	£94	Decreased 'void to let' turnaround times.
Arrears per Social Housing Unit	**£237**	£298	Fluctuation partly due to year on year timing of housing benefit/ universal credit receipts.
Growth in Turnover	**3.2%**	6.6%	Increased in line with Welsh Government rent policy and affordability principles.
Growth in Operating Costs	**4.7%**	10.2%	Above inflationary increase across materials, increased compliance and higher insurance premiums.
Growth in Total Fixed Assets	**9.5%**	7.9%	fontinued property investment plus increased investment in our systems.
Growth in Debt	**7.5%**	-11.0%	tlanned drawdowns from Revolving Credit Facility (RCF).
Social Housing Stock (available for letting)	**9,229**	9,167	Disposals (6) Developed units (45), Acquisitions (23),

KEY ACHIEVEMENTS IN 25/26

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

		2025/26	2024/25		Comments
Reinvesting & Regeneration	!Void properties - Turnaround time (days)	70	68	☐	Performance is in line with target.
Repairing our homes	Repairs - Routine completed in timescale	**88%**	73%	./	Performance is in line with target.
	Repairs - Emergency made safe within timescale	97.80%	97.96%	X	Performance outside of target.

Tenant Engagement & Sustainable Communities

		2025126	2024/25		Comments
Tenant Sustainability	Evictions	4	1	X	Performance outside of target.
	Tenancies ending in less than 12 months	27	37	☐	!Performance is in line with target.
Tenant Satisfaction	Would you recommend us as a landlord?	87.34%	87.34%	=	No target.

Organisational Health

		2025/26	2024/25		Comments
Financial Health	Current tenant debt - Total	2.92%	2.98%	./	Performance is in line with target.
	Former tenant debt - Total	0.54%	0.69%	./	Performance is in line with target.
	Rent lost on empty homes - Total	1.01%	1.55%	./	Performance is in line with target.
Staff Health	Staff sickness - Total	3.83%	3:58%	X	Performance outside of target.
	Staff - Voluntary turnover	0.48%	0.44%	./	!Performance is in line with target.

Doing the right thing

		2025/26	2024/25	Comments
Staff Safety	RIDDORs	5	2	Performance outside of target.
	Accident Rate	4.21	4.4	Performance outside of target.
Customer Safety	Gas - Compliance	99.99%	99.98%	Performance slightly outside of target.
	Electrical - Compliance	99.92%	99.80%	Performance is outside of target.
	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	100.00%	99.84%	Performance is in line with target.
Organisational Compliance	Data Protection - Breaches	27	33	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 are performing and whether we are meeting the required standards. Our latest regulatory judgement rating was issued in May 2026. We received a 'Green/Green' rating. 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

We undertake a review of our compliance with CHC's Code of Governance annually. This is scrutinised by the Audit and Risk Committee before review and approval by Board. The latest review was approved as compliant by the Board in November 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 launched in October 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 MOTs 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 though 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:

- Eight men's mental health groups across the borough received donations to support their activities, including carpentry sessions, inclusion football, craft workshops and organised walking trips.
- Foodbanks: we have continued our commitment to support local foodbanks by making monthly donationsto a different foodbank within the borough. In addition, we also respond to emergency requests from foodbanks facing shortages of specific items.
- Defibrillators and critical bleed kits: In response to requests from local communities, councillors, and Haven Housing Schemes, we have taken proactive steps to enhance health and safety across Neath Port Talbot. Through our partnership with the Heartbeat Trust, we have funded and installed three defibrillators and four critical bleed kits, helping to ensure vital, life-saving equipment is accessible where it is needed most. As part of this initiative, the Heartbeat Trust also provides a full day of complimentary training,

empowering local people with the skills and confidence to respond effectively in emergency situations.

Community Sports & Art Groups

Each year, we continue to see a steady increase in requests for support from local arts, youth and inclusion sports, and community recreation clubs seeking donations for equipment.

In the past year, we have proudly sponsored more than 41 groups, which included multiple rugby and football teams as well as Taekwondo, wheelchair rugby, classical music initiatives and women-only self-defence classes. Additionally, numerous donations were made to arts & crafts and knitting groups helping to strengthen social connection and creativity across the community.

These contributions highlight our ongoing commitment to investing in local groups and empowering individuals of all ages and abilities to pursue their interests.

Time to Thrive

This year we have launched our Time to Thrive grants programme. We have supported a wide range of community groups, including community centres, schools, and sports clubs, helping them to grow and thrive. Some ofthe initiatives include improving facilities at a Cricket Club with upgraded changing rooms and toilets, building a new bike shed and enhancing the family room for two local Primary School's to create more welcoming spaces.

In addition, we have provided targeted support to a variety of local organisations. This includes funding emergency lighting for a Scouts building, outdoor play equipment for a community Stay & Play, and free community activities alongside meals at a local Heritage Centre. We have also supported half-term activity programmes at a Community Centre, parent and child activities at two primary schools and fitness sessions delivered by NPT Youth Service.

Equality and Diversity

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

- Continued to develop a new ED&I Training Programme for all colleagues and managers.
- Developed a new Equality, Diversity, and Inclusion Action Plan 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 local community.

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 3I5[1] March 2026 the Board had 11 full members.

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 - assists the Board in its oversight of the integrity of the organisation's financial reporting, including supporting the Board in meeting its responsibilities regarding financial statements. The Committee ensures internal controls are providing assurance as to the organisation's compliance with risk and internal control requirements, and provides oversight of the risk management framework, monitoring its effectiveness through implementation of the Board assurance framework. The Committee provides assurance to Board that legal and regulatory requirements are being met and monitors the effectiveness and objectivity of the internal and external auditors.

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 all matters relating to asset management and development which includes overseeing the organisation's development, acquisitions and asset management strategies and ensures that assets and development are managed in accordance with approved plans and where necessary, report to Board for approval.

Nominations and People Committee - has delegated authority and provides assurance on matters relating to Board governance arrangements, including evaluation of Board performance, composition, diversity and how effectively members work together to achieve objectives. It makes recommendations in relation to nominations to the Board and ensures succession planning is in place. The Committee reviews and make recommendations to the Board on the core terms and conditions and annual cost of living award for all staff including the Executive team. It also has delegated responsibility for monitoring staff performance, development, engagement, health and well-being and Equality, Diversity and Inclusion.

Operations Committee - has delegated responsibility for monitoring the effective and efficient provision of services for those people living in Tai Tarian homes and provides assurance to the Board on the performance, quality and value for money of services delivered and oversight in the delivery of the operational strategies and services, including all services relating to housing and those who seek assistance in meeting their housing needs, and the maintenance of those homes.

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

Approved by the Board on 25th June 2026 and signed on its behalf by:

Board Chair

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 h9lds 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.

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.

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

Three of the five senior executives appointed under employment contracts are members of the Local Government Pension Scheme which is a defined benefit pension scheme. Two of the five senior executives are members 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.

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 Ty 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 Ty Gwyn or on our website.

GENERAL DATA PROTECTION REGULATION (GDPR)

Revised data protection legislation was introduced in 2018 through the UK GDPR and the Data Protection Act 2018. The Board recognises its responsibility to ensure appropriate internal controls are in place, with the Audit and Risk Committee, receiving regular reports on compliance activity. The later Data Use and Access Act {DUAA) amendments update these laws to simplify some requirements and support more proportionate, practical data handling while maintaining strong protections for individuals.

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 that is in place 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.

As part of the holistic view of internal controls, 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 3I5[1] March 2026. 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 2026 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
- 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 Audit Limited, are currently in year three of a three-year term. Bevan Buckland, previously traded through the legal entity Bevan Buckland LLP. Following a restructure and regulatory changes, Bevan Buckland LLP ceased to hold an audit registration with the engagement transitioning to Bevan Buckland Audit Limited.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 28th July 2026.

Approved by the Board on 25th June 2026 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 2026 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 2026 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 33), 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 2024 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

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

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

detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.

internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- 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.

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.

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

Date: '2.-S 'l,oZ...6

INDEPENDENT AUDITOR'S REPORT

In addition to our audit on the financial statements for the year ended 31st March 2026, we have reviewed the Board's statement of Tai 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 32, 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.

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

Date: Js ��µ___ '2..o2

GROUP & PARENT
STATEMENT OF COMPREHENSIVE INCOME
AT 31^{51} MARCH 2026

Tai **Tarian**

	Note	GROUP		TAI TARIAN	
		2026	**2025**	**2026**	**2025**
		£'000	**£'000**	**£'000**	**£'000**
Turnover	3	65,251	63,234	65,251	63,234
Operating expenditure	3	(52,582)	(50,279)	(52,582)	(50,279)
Surplus on disposal of fixed assets	4	262	s2	262	52
Operating surplus	3	12,931	13,007	**12,931**	**13,007**
Interest receivable	5	**364**	539	**364**	539
Interest and financing costs	6	(4,139)	(10,515)	(4,139)	(10,515)
Local Government Pension Scheme (LGPS) net financing gain	**31**	so	so	so	so
Surplus before taxation		**9,206**	**3,081**	**9,206**	**3,081**
Taxation	**10**				
Surplus for the year		**9,206**	3,os1	**9,206**	**3,081**
Actuarial loss in respect of pension scheme	**31**	(730)	**(430)**	**(730)**	(430)
Total comprehensive income for the year		**8,476**	**2,651**	**8,476**	**2,651**

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

The notes on pages 45 to 75 form an integral part of the financial statements.

GROUP & PARENT
STATEMENT OF FINANCIAL POSITION
AT 31ST MARCH 2026

Tai Tarian

		GROUP		TAITARIAN	
		2026	2025	2026	2025
Fixed assets	Note	£'000	£'000	£'000	£'000
Housing properties	11	286,514	263,o3s	286,514	263,038
Other fixed assets	12	4,853	4,473	4,853	4,473
Intangible assets	13	2,199	693	2,199	693
Investment in subsidiaries	14				
		293,566	268,204	293,566	268,204
Current assets					
Stocks	15	261	177	261	177
Debtors	16	121,872	125,905	122,957	126,663
Cash and cash equivalents		7,716	8,678	6,631	7,920
		129,849	134,760	129,849	134,760
Creditors: amounts falling due within one year	17	(26,838)	(23,592)	(26,838)	(23,592)
Net current assets		103,011	111,168	103,011	111,168
Total assets less current liabilities		396,577	379,372	396,577	379,372
Creditors: amounts falling due after more than one year	18	(249,595)	(240,866)	(249,595)	(240,866)
		146,982	138,506	146,982	138,506
Pensions asset/(liability)	31				
Net assets		146,982	138,506	146,982	138,506
Capital and reserves					
Non-equity share capital	21				
Revenue reserve		146,982	138,506	146,982	138,506
Total capital and reserves		146,982	138,506	146,982	138,506

The financial statements on pages 41 to 75 were approved by the Board of Management on 25th June 2026.

Signed on behalf of the Board:

Board Chair **Board Member**

GROUP & PARENT
STATEMENT OF CHANGES IN RESERVES
AT 31sr MARCH 2026

Tai Tarian

	GROUP		TAI TARIAN	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
At beginning of year	**138,506**	135,855	**138,506**	135,855
Surplus for the year	9,206	3,081	9,206	3,081
Actuarial loss	(730)	(430)	(730)	(430)
At end of year	**146,982**	138,506	**146,982**	138,506

GROUP & PARENT
STATEMENT OF CASH FLOW
AT 31sr MARCH 2026

Tai
Tarian

	Note	GROUP 2026 £'000	GROUP 2025 £'000	TAITARIAN 2026 £'000	TAITARIAN 2025 £'000
Net cash generated from operating activities	**26**	20,534	22,643	20,207	22,433
Cash flow from investing activities					
Purchase of tangible fixed assets		(36,926}	(31,784)	(36,926)	(31,784)
Proceeds from disposal of tangible fixed assets		313	52	313	52
Grants received		12,654	7,208	12,654	7,208
Interest received		409	672	409	672
		(23,550)	(23,852)	(23,550)	(23,852)
Cash flow from financing activities					
Interest paid		(4,076}	(8,619)	(4,076)	(8,619)
New loans		10,470	74,000	10,470	74,000
Repayment of borrowing		(4,340)	(84,125)	(4,340)	(84,125)
		2,054	(18,744)	2,054	(18,744)
Net change in cash and cash equivalents		**(962)**	(19,953)	**(1,289)**	(20,163}
Cash and cash equivalents at beginning of the year		8,678	28,631	7,920	28,083
Cash and cash equivalents at the end of the year		**7,716**	**8,678**	**6,631**	**7,920**

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 HFG receivable is measured at amortised cost using the effective interest method. Interest income recognised during the year represents the unwinding of the discount applied on initial recognition of the receivable. The interest rate applied is 7.56%.

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.

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 and 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 2011which 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.

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	5-15 years

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 account 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.

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 subsidised 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.

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.

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 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.

Economic Life of Assets

An estimation of the useful economic life of the organisation's assets is 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.

3. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	GROUP		TAITARIAN	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Income				
Rents receivable	53,150	51,4'0	53,150	51,410
Service charges receivable	3,248	3,351	3,248	3,351
	56,398	54,761	**56,398**	**54,761**
Welsh Government Dowry	6,200	6,200	6,200	6,200
Amortisation of Social Housing & other Government grants	1,203	982	1,203	982
Other income from social housing lettings	1,450	1,291	1,450	1,291
Turnover from social housing lettings	**65,251**	63,234	**65,251**	**63,234**
Expenditure				
Management costs	15,315	14,552	15,315	14,552
Service costs	4,483	4,636	4,483	4,636
Maintenance costs	19,497	18,3so	19,497	18,350
Losses from bad debts	217	398	217	398
Depreciation and amortisation	13,070	12,343	13,070	12,343
Operating costs on social housing lettings	**52,582**	50,219	**52,582**	50,279
Surplus on disposal of fixed assets	**262**	52	**262**	**52**
Operating surplus on social housing lettings	**12,931**	*13,001*	**12,931**	**13,007**
Rent loss due to voids (memorandum note)	**(703)**	**(862)**	**(703)**	**(862)**

4. SURPLUS ON DISPOSAL OF FIXED ASSETS

	GROUP		TAI TARIAN	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Disposal proceeds	327	S	327	SS
Disposal costs	(65)	(3)	(65)	(3)
Surplus on disposal	**262**	52	**262**	**52**

5, INTEREST RECEIVABLE

	GROUP		TAITARIAN	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Bank and short term deposit interest receivable	364	539	364	539

6. INTEREST AND FINANCING COSTS

	GROUP		TAITARIAN	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Bank interest payable and similar charges	3,989	4,271	3,989	4,271
Non-utilisation fees	-75	65	75	65
Refinancing breakage costs		5,350		5,350
Amortisation of deferred financing costs	75	829	75	829
	4,139	**10,515**	**4,139**	**10,515**

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

	GROUP		TAITARIAN	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Operating surplus for the year is stated after charging:				
Depreciation and amortisation of fixed assets	12,600	11,610	12,600	11,610
Accelerated depreciation on component disposal	470	733	470	733
Amortisation of deferred Government grants	(1,203)	(982)	(1,203)	(982)
Operating leases				
- Property	57	64	57	64
- Vehicles	837	631	837	631
- Other	266	281	266	281
Auditor's remuneration (inclusive of VAT)				
- Statutory audit fees	31	30	31	30
- Other professional fees	1	1	1	1

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8. EMPLOYEE NUMBERS AND COSTS

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

	GROUP		TAITARIAN	
	2026 Number	2025 Number	2026 Number	2025 Number
Central Support	112	107	112	107
Operational delivery				
Housing	133	140	133	140
Assets	329	310	329	310
	462	**450**	**462**	**450**
Total	**574**	**557**	**574**	**557**

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, shown as an annual average. In total, the actual average monthly number of staff was 593 (2025: 577).

The aggregate employment costs of these persons were as follows:

	GROUP		TAITARIAN	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Wages and salaries	20,924	19,391	20,924	19,391
Social security costs	2,561	1,869	2,561	1,869
Other pension costs - employer's contributions payable (Legal & General defined contribution scheme)	579	474	579	474
Other pension costs - employer's contributions payable (LGPS defined benefit scheme)	1,753	1,880	1,753	1,880
Other pension costs - difference between current and past service cost and contributions payable (LGPS defined benefit scheme)	(680)	(380)	(680)	{380)
Total	25,137	23,234	25,137	23,234

9. BOARD MEMBERS' AND DIRECTORS' REMUNERATION

	GROUP		TAITARIAN	
	2026	2025	2026	2025
Directors	£'000	£'000	£'000	£'000
Salaries and fees	694	681	694	681
Pension contributions	118	121	118	121
	812	802	812	802

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 £96,406 (2025: £90,409). The total of expenses paid to the Board was £1,855 (2025: £1,847).

Remuneration of the highest paid director, excluding pension contributions and social security costs:	GROUP		TAITARIAN	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Salary	173	170	173	170

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 £40,230 (2025: £39,441).

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		TAITARIAN	
	2026	2025	2026	2025
	Number	Number	Number	Number
£130,000 - £139,999	2	1	2	1
£150,000 - £159,999	1	3	1	3
£160,000 - £169,999	1		1	
£200,000 - £209,999		1		1
£210,000 - £219,999	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.

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	339,132	15,647	**354,779**
Reclassification	(10)		**(10)**
Additions during the year:			
Completed properties acquired	2,286		**2,286**
Components capitalised	23,937	9,933	**33,870**
Transfers on completion	16,048	(16,048)	
Disposals during the year	(1,256)		**(1,256)**
At 31st March 2026	**380,137**	**9,532**	**389,669**
Depreciation			
At beginning of year	(91,741)		**(91,741)**
Reclassification			
Charged during the year	(12,598)		**(12,598)**
Eliminated on disposals	1,184		**1,184**
At 31st March 2026	**(103,155)**		**(103,155)**
Net book value			
At 31st March 2026	**276,982**	**9,532**	**286,514**
At 31st March 2025	247,391	15,647	263,038

Housing properties held for letting comprise:	Cost £'000	Dep'n £'000	2026 £'000	2025 £'000
Freehold property capitalised repairs, replacements and improvements	299,023	(97,487)	**201,536**	190,375
Freehold property constructed	62,992	(3,605)	**59,387**	43,226
Freehold property under construction	9,532		**9,532**	15,647
Freehold property acquired	18,122	(2,063)	**16,059**	13,790
	389,669	**(103,155)**	**286,514**	**263,038**

Houses and bedspaces in management at the end of the year

	2026 Number	2025 Number
Housing accommodation		
General needs	8,796	8,734
Sheltered accommodation (Haven Housing)	433	433
	9,229	**9,167**
Leasehold management services	436	444
	9,665	**9,611**

12. OTHER FIXED ASSETS - GROUP & TAI TARIAN

	Office premises £'000	Office furniture and equipment £'000	IT £'000	Total £'000
Cost				
At beginning of year	4,528	1,355	2,235	**8,118**
Reclassification		10		**10**
Additions during the year		528	226	**754**
Disposals during the year		{101)	(143)	**(244)**
At 31st March 2026	**4,528**	**1,792**	**2,318**	**8,638**
Accumulated Depreciation				
At beginning of year	(1,322)	{658)	(1,665)	**(3,645)**
Reclassification				
Charged during the year	{108)	{115)	(158)	**(381)**
Eliminated on disposals		98	143	**241**
At 31st March 2026	**(1,430)**	**(675)**	**(1,680)**	**(3,785)**
Net book **value**				
At 31st March 2026	**3,098**	**1,117**	**638**	**4,853**
At 31st March 2025	3,206	697	570	4,473

13. INTANGIBLE FIXED ASSETS - GROUP & TAI TARIAN

	Computer software £'000
Cost	
At beginning of year	1,818
Additions during the year	1,597
Disposals during the year	
At 31st March 2026	**3,415**
Amortisation	
At beginning of year	(1,125)
Charged during the year	(91)
Eliminated on disposals	
At 31st March 2026	**(1,216)**
Net book value	
At 31st March 2026	**2,199**
At 31^{51} March 2025	693

14. FIXED ASSET INVESTMENTS

	GROUP		TAITARIAN	
	2026 £	2025 £	2026 £	2025 £
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 2026 have been consolidated into the group financial statements.

Aggregate share capital and reserves	£	1
Profit & Loss	£	

15. STOCK

	GROUP		TAITARIAN	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Raw materials	171	129	171	129
Finished goods	90	48	90	48
Stock of materials	**261**	**177**	**261**	**177**

16. DEBTORS

	GROUP		TAITARIAN	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Amounts due within one year				
Arrears of rent and service charges	2,196	2,734	2,196	2,734
Less: provision for bad and doubtful debts	(1,084)	{1,148)	(1,084)	(1,148)
	1,112	**1,586**	**1,112**	**1,586**
VAT Shelter agreement (note 30)	10,000	10,000	10,000	10,000
Other debtors and prepayments	14,487	8,930	14,564	9,007
Less: provision for bad and doubtful debts	(754)	(802)	(754)	{802)
Lease debtor	1,703	2,030		
	26,548	**21,744**	**24,922**	**19,791**
Amounts due after more than one year				
VAT Shelter agreement (note 30)	94,229	103,031	94,229	103,031
Other debtors and prepayments	1,095	1,130	1,095	1,130
Inter company loan			2,711	2,711
	95,324	**104,161**	**98,035**	**106,872**
	121,872	**125,905**	**122,957**	**126,663**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		TAI TARIAN	
	2026 £'000	2025 £'000	2026 £'000	20253 £'000
Housing loans (note 20)	299	175	299	175
Trade creditors	10,132	9,721	10,132	9,721
Taxation and social security	525	461	525	461
Rent and service charges received in advance	954	951	954	951
Deferred Income: Social Housing and other Government Grants	2,165	1,265	2,165	1,265
VAT Shelter agreement (note 30)	10,000	10,000	10,000	10,000
Other creditors	5	5	5	5
Grants received in advance	2,758	1,014	2,758	1,014
	26,838	**23,592**	**26,838**	**23,592**

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

	GROUP		TAITARIAN	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Housing loans (note 20)	86,557	80,476	86,557	80,476
Trade creditors	194	438	194	438
Deferred Income: Social Housing and other Government Grant	68,615	56,921	68,615	56,921
VAT Shelter agreement (note 30)	94,229	103,031	94,229	103,031
	249,595	**240,866**	**249,595**	**240,866**

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

Grants	Freehold Housing Properties held for letting £'000	Freehold Housing Properties under construction £'000	Other Fixed Assets £'000	Recycled Capital Grant Fund £'000	Total £'000
At beginning of year	46,433	15,461	57	53	**62,004**
Transferred on completion	7,082	(7,082)			
Additions during the year	11,350	2,447			**13,797**
At end of year	**64,865**	**10,826**	**57**	**53**	**75,801**
Amortisation of Grants					
At beginning of year	(3,796)		(22)		**(3,818)**
Charge for the year	(1,192)		(11)		**(1,203)**
At end of year	**(4,988)**		**(33)**		**(5,021)**
Net book value					
At 31''1March 2026	**59,877**	**10,826**	**24**	**53**	**70,780**
At 31''1March 2025	42,637	15,461	35	53	58,186
Amounts falling due:					
Due within one year	2,101		11	53	**2,165**
Due after one year	57,776	10,826	13		**68,615**

Of the £11.350m grant additions recognised during the year, £11.112m relates to capitalised component replacement and decarbonisation expenditure. The remaining £0.238m relates to the TACP Acquisition Grant.

20. DEBT ANALVSIS

	GROUP		TAITARIAN	
	2026	**2025**	**2026**	**2025**
Bank & Welsh Government Loans	**£'000**	**£'000**	**£'000**	**£'000**
On demand or within one year	370	250	370	250
Less: transaction costs on issue	(71)	(75)	(71)	(75)
	299	175	**299**	175
Between one and two years	370	250	370	250
Between two and five years	16,850	10,000	16,850	10,000
After five years	70,174	71,104	70,174	71,104
Less: transaction costs on issue	(837)	(878)	(837)	(878)
	86,557	80,476	**86,557**	80,476
	86,856	**80,651**	**86,856**	**80,651**

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Bank Loans

On 1 May 2024, Tai Tarian completed a significant treasury restructuring and entered into new loan facilities with Just Group, Danske Bank and Barclays. As part of the restructuring, the existing £84.0m Syndicate borrowing was repaid in full. The transaction also resulted in costs of £5.4m relating to the early termination of fixed-rate loan arrangements, which were incurred as part of the refinancing process.

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 at 31 March 2026: £80.04m had been drawn across the new facilities, comprising:

Funder	Borrowing
Barclays	£15.S0m
Danske Bank	£24.54m
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	15yrTerm Loan	Variable	6.50	6.50	5.03%	30/04/2039
		Fixed	12.13	12.13	5.14%	30/04/2039
		Fixed	5.91	5.91	5.07%	30/04/2039
Barclays Bank	RCF	Variable	30.00	15.50	4.68%	30/04/2030
	Total		**94.54**	**80.04**		

At 31 March 2026, the organisation has unutilised facilities of £14.Sm (2025: £21m).

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

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 SO Modular Ltd. This loan was 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

	GROUP		TAI TARIAN	
	2026	2025	2026	2025
	£	£	£	£
Shares held by members - £1 each fully paid and issued:				
At beginning of the year	206	213	206	213
Issued during the year	7	3	7	3
Cancelled during the year	(14)	(10)	(14)	(10)
At end of the year	**199**	**206**	**199**	**206**

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	158	158
Leaseholder	4	4
Independent	11	11
Associate	26	0
Total	**199**	**173**

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

	Note	GROUP 2026 £'000	GROUP 2025 £'000	TAITARIAN 2026 £'000	TAITARIAN 2025 £'000
Financial assets					
Measured at undiscounted amount receivable					
Rent arrears and other debtors	16	**121,872**	**125,905**	**122,957**	**126,663**
Financial liabilities					
Measured at amortised cost					
Loans payable	20	86,856	80,651	86,856	80,651
Measured at undiscounted amount payable					
Trade and other creditors	17,18	189,577	183,807	189,577	183,807
		276,433	**264,458**	**276,433**	**264,458**

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

	Note	GROUP 2026 £'000	GROUP 2025 £'000	TAI TARIAN 2026 £'000	TAI TARIAN 2025 £'000
Interest income and expense					
Total interest payable and similar charges for financial liabilities at amortised cost	6	(4,139)	(10,515)	(4,139)	(10,515)

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 (2025: 3) Board members. The total rent payable was £19,087 (2025: £18,915). At the year- end £192 (2025: £184) was owed to the organisation, of which £192 (2025: £184) was overdue. In addition, rented accommodation was provided to no close relatives (2025: 0) of Board members.

During the year the organisation made payments of £209,089 (2025: £185,417) to NPTCBC relating to Upvc factory rent, rates, and service level agreements. As at the year end, the organisation owed NPTCBC a total of £3,877 (2025: £Nil) and was owed a total of £201(2025: £Nil) by NPTCBC.

During the year the organisation made payments of £901 (2025: £723) to The J WT Partnership Limited, a company in which 1 board member was a director. This related to service charges for its head office. As at the year end, the organisation owed The J WT Partnership Limited £Nil (2025: £Nil).

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

The Group has taken exemption under paragraph 33.IA of FRS102 in relation to related party transactions between members of the Group which are wholly owned subsidiaries.

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24. OPERATING LEASES - GROUP & TAI TARIAN

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

	2026		2025	
	Land and buildings	other	Land and buildings	Other
Lease payments due:	£'000	£'000	£'000	£'000
within 1 year	56	**988**	57	672
between two and five years	227	2,175	227	1,499
in over 5 years	320		291	
	603	**3,163**	**575**	**2,171**

25. CAPITAL COMMITMENTS

	GROUP		TAITARIAN	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Expenditure contracted but not provided for	30,625	18,217	30,625	18,217
Expenditure authorised by the Board but not contracted	9,448	12,305	9,448	12,305
	40,073	**30,522**	**40,073**	**30,522**

Capital commitments are those which are due within a year, of which £21.6m (2025: £15.lm) 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.

26. NET CASH GENERATED FROM OPERATING ACTIVITIES

	GROUP		TAITARIAN	
	2026	2025	**2026**	**2025**
	£'000	£'000	£'000	£'000
Surplus for the year	9,206	3,081	9,206	3,081
Adjustments for non-operating activities				
Surplus on disposal of fixed assets	(262)	(52)	(262)	(52)
Interest receivable	(364)	(539)	(364)	(539)
Interest payable	4,064	9,686	4,064	9,686
Local Government Pension Scheme (LGPS) net financing gain	(SO)	(50)	(50)	(SO)
Adjustments for non-cash items				
Amortisation of intangible assets	91	130	91	130
Depreciation of tangible fixed assets	12,979	12,213	12,979	12,213
Amortisation of deferred grant income	(1,203)	(982)	(1,203)	(982)
Amortisation of deferred financing costs	75	829	75	829
Pension costs less contributions payable	(680)	(380)	(680)	(380)
Decrease in debtors	6,877	8,792	6,550	8,582
Decrease in creditors	(10,115)	{10,152)	(10,115)	(10,152)
(Increase)/Decrease in stocks	(84)	67	(84)	67
Net cash generated from operating activities	**20,534**	**22,643**	**20,207**	**22,433**

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

	GROUP		TAITARIAN	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
Decrease in cash	(962)	(19,953)	(1,289)	(20,163)
(Increase)/ Decrease in loans	(6,130)	10,125	(6,130)	10,125
(Increase)/Decrease in net debt	(7,092)	(9,828)	(7,419)	(10,038)
Net debt at start of year	(72,926)	(63,098)	(73,684)	(63,646)
Net debt at end of year	(80,018)	(72,926)	(81,103)	(73,684)

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28. ANALYSIS OF NET DEBT

GROUP

	Cash at bank & in hand	Loansdue in less than one year	Loansdue in more than one year	Changes in net debt
	£'000	£'000	£'000	£'000
At beginning of year	8,678	{250)	{81,354)	**(72,926)**
Net cash flows	{962)	(120)	{6,010)	**(7,092)**
At 31st March 2026	7,716	**(370)**	**(87,364)**	**(80,018)**

TAITARIAN

	Cash at bank & in hand	Loansdue in less than one year	Loansdue in more than one year	Changes in net debt
	£'000	£'000	£'000	£'000
At beginning of year	7,920	{250)	{81,354)	**(73,684)**
Net cash flows	{1,289)	{120)	{6,010)	(7,419)
At 31st March 2026	6,631	(370)	(87,364)	**(81,103)**

29. FREE CASH FLOW

	GROUP		TAITARIAN	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Net cash generated from operating activities	20,534	22,643	20,207	22,433
Interest paid	(4,076)	(8,619)	(4,076)	(8,619)
Interest received	409	672	409	672
Taxation paid				
Adjustments for reinvestment in existing properties				
Component replacements	(23,937)	(17,513)	(23,937)	(17,513)
Purchase of other replacement fixed assets	(2,351)	(1,493)	(2,351)	(1,493)
Component replacement grant received				
Free cash consumed before loan repayments	(9,421)	(4,310L	(9,748)	(4,520)
Loans repaid (excluding revolving credit and overdrafts)	(4,340)	(84,125)	(4,340)	(84,125)
Free cash consumed after loan repayments	**(13,761)**	**(88,435)**	**(14,088)**	**(88,645)**

Included in interest paid is £Nil (2025: £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 £242.Imillion (2025: £233.3m) 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 was forecasted that the work would be performed over a 15-year period and the costs would be capitalised as they are incurred, therefore were expected to be concluded by March 2026. However, during the year, the organisation applied to HMRC to request an extension of the timescale to claim under the current VAT shelter arrangement until the works programme is completed, due to delays beyond the organisation's control. In March 2026, the organisation received correspondence that HMRC have reviewed and approved the request for an extension.

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 £2.30m (2025: £2.44m).

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 2025 was prepared by Aon Hewitt Limited.

The FRS 102 accounting results at 31st March 2026 have resulted in a decrease in the amount recognised in the Statement of Comprehensive Income, with an actuarial loss of £0.7m {2025: £0.4m) 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:

	2026 %pa	2025 %pa
CPI Inflation	2.8	2.5
Pension accounts revaluation rate	2.8	2.5
Salary increases	4.3	4.0
Pension increases	2.8	2.5
Discount rate	6.2	5.8

Mortality assumptions:

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2025 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 in normal health resulting from these mortality assumptions are shown below.

	2026 Years	2025 Years
Males		
Pensioner member aged 65 at accounting date	21.7	21.6
Active member aged 45 at accounting date	**22.0**	21.9
Females		
Pensioner member aged 65 at accounting date	**24.6**	24.2
Active member aged 45 at accounting date	25.0	25.0

The analysis of the Fund assets was as follows:	31st March 2026 %pa	31st March 2025 %pa
Equities	70.8	67.0
Government bonds	0.6	0.7
Property	2.6	2.8
Cash	0.5	0.3
Other	25.5	29.2
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	2026 £'000	2025 £'000
Current service cost	1,020	1,500
Past service cost	80	
Interest on pension liabilities	3,780	3,750
Interest income on assets	(5,750)	(4,750)
Interest on unrecognised asset	1,920	950
Pension cost expensed	**1,050**	**1,450**
Recognised in other comprehensive income	730	430
Total pension cost recognised in the Statement of Comprehensive Income	**1,780**	**1,880**

Amount included in the Statement of Financial Position	2026	2025
	£'000	£'000
Present value of scheme liabilities	(70,120)	(66,270)
Fair value of scheme assets	110,870	99,430
Unrecognised asset	(40,750)	(33,160)
Asset/(Liability) in the scheme		

Changes to the present value of defined benefit obligations:

	2026	2025
	£'000	£'000
Opening defined benefit obligation	66,270	79,900
Current service cost	1,020	1,500
Interest cost	3,780	3,750
Contributions by the participants	520	560
Past service cost	80	
Actuarial losses/ (gains) on liabilities	1,370	(15,380)
Net benefits paid out	(2,920)	(4,060)
Closing defined benefit obligation	70,120	66,270

Changes to the fair value of assets:

	2026	2025
	£'000	£'000
Opening fair value of assets	99,430	99,770
Interest income on assets	5,750	4,750
Remeasurement gains/(losses) on assets	6,310	{3,470)
Contributions by the employer	1,780	1,880
Contributions by the participants	520	560
Net benefits paid out	(2,920)	{4,060)
Closing fair value of assets	110,870	99,430

Interest income on assets	5,750	4,750
Gain/(loss) on assets	6,310	(3,470)
Actual return on assets	12,060	1,280

Discount rate assumption

Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£m)	69.07	70.12	71.24
% change in present value of total obligation	-1.5%		1.6%
Projected service costs (£m)	1.02	1.06	1.11
Approximate % change in projected service cost	**-4.2%**		4.3%

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)	70.26	70.12	69.98
% change in present value of total obligation	0.2%		-0.2%
Projected service costs (£m)	1.06	1.06	1.06
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)	71.10	70.12	69.21
% change in present value of total obligation	1.4%		-1.3%
Projected service costs (£m)	1.11	1.06	1.02
Approximate% change in projected service cost	4.3%		-4.2%

Past retirement mortality assumption

Adjustment to mortality age rating assumption*	-1 year	Base figure	+ 1 year
Present value of total obligation (£m)	71.73	70.12	68.51
% change in present value of total obligation	2.3%		-2.3%
Projected service costs (£m)	1.10	1.06	1.02
Approximate% change in projected service cost	3.6%		-3.6%