ClwydAlyn

Annual Report and Financial Statements
2025 - 2026

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Our Social Purpose

"Together, we will end poverty"

One year ago, we refreshed our Corporate Plan and reinforced our ambition; together, we will end poverty. We reaffirmed our mission and focused our corporate plan objectives. We are now one year into that refreshed corporate plan and looking forward to delivering on our corporate plan objectives in the coming years.

You can find the full corporate plan on our website. Click here to access.

TOGETHER, WE WILL END POVERTY

ENDING HOMELESSNESS - An end to homelessness would mean that no-one is sleeping on the street, and no-one is living in temporary accommodation.

WARM HOMES - At ClwydAlyn all our residents will live in warm homes. They are homes that are energy efficient and affordable to heat and live in.

GOOD AFFORDABLE FOOD - ClwydAlyn residents will all have access to good food. This means no one goes hungry or skips meals.

To achieve our priorities, we need to ensure that our colleagues are fully supported and that we have the right support services in place. We therefore developed two further enabling priorities to help us progress towards our mission.

LOYAL STAFF - Who believe in our work and feel that ClwydAlyn values and support them.

CORPORATE SUPPORT - Services that enable the corporate objectives to be achieved.

ClwydAlyn was formed in 1978 as a non-charitable Registered Social Landlord. The Group now manages almost 6,800 homes and employs around 750 staff, to deliver a range of housing management related services, including care and supported housing, specialist care and nursing homes, leasehold management and low-cost home ownership, development, and repair and maintenance services.

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

Chair's Review

The ClwydAlyn mission, "Together, we will end poverty" continues to be the driving force behind every decision, partnership, and opportunity we undertake. This year marks the first year of our 2025-2030 strategy and we are very pleased by the progress this year, and we are looking forward to what we can achieve in the coming years.

First and foremost, we are a good landlord, as without this none of our ambitious corporate plan objectives would be possible. These are: ending homelessness, providing warm and safe homes, and ensuring our residents and staff have access to good food. These continue to guide our day-to-day activities, alongside our enabling objectives of loyal people and strong corporate services.

With each year that passes, the media increasingly talk about unprecedented times. The cumulative impact that this pressure provides continues and we see the impact on the communities we serve, with growing health inequalities and growing economic inequalities. The war in Ukraine continues and the disruption in the Middle East has exacerbated issues with global supply chains, escalated energy costs, and contributed to a deepening cost-of-living crisis in the UK. These events created a more complex environment for delivering our mission and reinforce the relevance of our work.

Against this backdrop, our organisation is moving forward with purpose. We have strengthened community partnerships, accelerated digital transformation, and embedded flexibility in our services to ensure continuity and resilience. We have increased access to affordable, safe, and energy-efficient housing, supported wellbeing and employment initiatives, and championed our values of trust, kindness and hope in both our work with residents and the way we work with colleagues.

ENDING HOMELESSNESS

In 2025/26 we delivered more than 170 new homes, maintained our commitment to ensuring no evictions into homelessness and we have continued to develop our supported living provision with a new Parent & Baby facility. In doing so we have clear evidence that housing supply is increasing as a direct result, affordability barriers within supported living are reduced as residents enter work and housing stability is maintained for vulnerable households.

WARM & SAFE HOMES

During 2025/26 we have improved over 300 homes to EPC C or above, maximising access to grant funding to enable this to happen quickly. We also continue to support residents with fuel poverty issues through great partnerships. We have approved new Asset Management and Environment & Sustainability Strategies and continued to grow the success of Onnen our joint venture which is retrofitting social rented homes. This means our homes are warmer and cheaper to heat and through developing target energy pathways we can prioritise investment for future works intelligently.

ACCESS TO GOOD FOOD

This year we have introduced food which is Ultra Processed Free in all our Extra Care schemes. We have delivered allotments and opportunities to grow fruit and vegetables in all new homes. We have developed food hubs, mobile shops, and meal locker programmes, in partnership. As a result, our residents in supported settings are receiving healthier meals and we are learning from our pilot projects with the aim of improving access to healthy food across our communities. We are championing innovation and supporting the development of new farms and affordable farmhouses in Wales.

LOYAL PEOPLE

During this first year of our new Corporate Plan, we have maintained a dedicated workforce who believe in our purpose and what it means to work for ClwydAlyn. We have continued to embed the ClwydAlyn values of trust, hope and kindness through leadership development, workforce planning, staff engagement, and well-being support alongside agreed performance expectations.

ENABLING CORPORATE SERVICES

Our corporate service functions have continued to provide great core digital services, improving data integrity and quality, strong budget management and financial control and excellent governance, compliance, and assurance.

During 2025/26 we were pleased to undertake the new Regulatory Assessment process against the new Regulatory Standards for social landlords in Wales. We were delighted to be assessed as Green for Governance & Services and Green for Financial Viability. This is testament to the hard work of our colleagues and the on-going commitment of our Board and governance community to the achievement of our Corporate Plan and ultimately our Mission. We also maintained our credit rating with Moody's and our recent assessment by S&P Global Ratings provided an A rating, with a negative outlook. We ended the year with an operating margin of 21.2%, which outperformed our original budget.

However, we are not resting easy. In the coming years we plan to continue to invest in building new homes whilst also maximising investment in existing homes, so everyone can live well in our communities. We will also continue to improve our homeless services, so they support more people to move into independent living and to build good lives for themselves. Helping to provide access to good food will continue to be a priority, and we are planning to work positively to influence the new Welsh Government on this.

Finally, none of this would be possible without great staff who work positively with our residents to deliver high quality services; and who ensure that resident voices are heard, listened to, and acted upon to make change and improvement.

CMcGuinness

Cris McGuinness

Chair of the Board

Strategic Report

ClwydAlyn operates across seven counties in North and Mid Wales. We own and manage around 6,800 properties, the majority of which are social rented homes. Although our portfolio extends beyond general needs housing and includes 10 Extra Care schemes providing 550 apartments, alongside two care homes offering 76 beds. We also deliver specialist support through our Group Homes, which assist 379 individuals, and our supported living services, providing accommodation for 223 people. These services include dedicated provision for people experiencing homelessness and those seeking safety through our domestic abuse refuge.

Key achievements in 2025/26

- Our Promise Report - Our residents worked with us in 2021 and told us what they would like us to promise to deliver as their landlord. Each year we report back to our residents on how well we have kept our promises. The full report can be found here. Key highlights from this report include the £40,000 investment in our residents' fund which supported over 150 residents with fuel poverty, digital inclusion and support to manage their home. The report also highlights the support provided to residents to maximise their income, securing £1.6million in financial gains over the year.
- We are delighted that our residents are satisfied with our services. With 84% overall satisfaction with services from our satisfaction survey. In fact, in 9 out of 12 satisfaction scores, residents placed us in the top quartile in terms of their satisfaction with us and how we deliver for them. Our residents who have experienced a repair are very satisfied with our repairs service, with 98% satisfied following their repair. Our satisfaction with care and support is at 94% with our care home, Chirk Court, ranked as top in Wrexham County (carehomes.co.uk), an accolade with which we are immensely proud.
- We have also produced a full report on our Environmental, Social and Governance (ESG) work and impact. The ESG report shows that we've invested £3.2million to make our homes warmer and more affordable for residents to heat. Through our development work we have enabled 17 apprenticeships to support residents in our communities into work. We have worked hard to reduce the carbon footprint of our least energy efficient homes, reducing emissions by 113.47 tonnes, the equivalent of planting over 5,100 trees a year. Working in partnership with Well Fed we have launched our first meal lockers in St Asaph. We have also developed 22 active allotments for residents to grow their own food. ClwydAlyn's commitment to strong governance is also borne out by the Board Effectiveness review undertaken and the Green/Green Regulatory Assessment. The full ESG report can be found here.
- During 2025/26 the Development Team added 174 homes to our portfolio (some of which were handed over to Housing Teams in early 2026/27). All homes built by ClwydAlyn are built to EPC A. One development that we are particularly proud of is at Well Street in Buckley. This project is an example of excellent partnership working and a unique approach in Wales between four organisations to deliver a significant number of affordable homes, built to EPC A and 'Lifetime Homes' standard. Working with the Council, the Welsh Government and the construction company, phase 1 consisting of 44 homes were delivered by March 2026, 12 months earlier than originally planned.
- In November 2025, we completed the sale of Merton Place, our 54-bed nursing home in Colwyn Bay. Nursing care is not a core area of our business, and following careful consideration, the Board took a strategic decision to exit this provision. The purchaser has a

strong track record of delivering high-quality care, and there is strong values alignment which was an important factor in securing a responsible transfer of the service. The disposal of Merton Place supports our strategic focus and strengthens the organisation's risk profile, given the increasing complexity, regulatory requirements, and operational risks associated with nursing home provision.

Key Performance Indicators and Results for the Year

The group's financial highlights for the year are as follows:

- Retained A credit rating with Standard & Poor's.
- Retained A3 credit rating from Moody's.
- We achieved an Operating Margin of 21.2%.
- Received £37.9m in grants during the year for new build, decarbonisation, fire safety and stock improvement.

We monitor our banking covenants and other internal metrics (golden rules), designed to prevent the group from over-stretching financially and to protect the funding that has been loaned to us.

These golden rules and covenants are shown below:

Measure	Limit	Outturn
Interest Cover: Revolving Credit Facility Standard Life Investment	 >130% Covenant >120% Golden rule	 Revolving Credit Facility 221% Standard Life Investment 127%
Gearing (Revolving Credit Facility))	<65% Covenant <55% Golden rule	37.5%
Liquidity (short-term)	3 months net cash outflows held in cash	7 months held
Liquidity (medium-term)	12 months net cash outflows in cash and facilities	23 months held
Debt / EBITDA MRI	<25 Golden rule	21.3
Debt to Revenue	<5 Golden rule	4.3

One of our corporate objectives is to provide warm & safe homes and we therefore take the safety of our residents very seriously and work hard to ensure full compliance with Health & Safety legislation. The table below shows better than sector performance, with 100% compliance in 3 of the 5 metrics, with access into residents' homes preventing a full 100% result.

Health & Safety Compliance Q4 2025/26	ClwydAlyn	Welsh Sector Average
Gas Safety	99.85%	99.74%
Electrical Safety	99.82%	99.63%
Fire Safety	100%	99.35%
Asbestos	100%	99.77%
Legionella	100%	99.42%

We pride ourselves on strong operational performance from our in-house repairs service and the results below show sector leading performance.

Repairs Performance	ClwydAlyn	Welsh Sector Average
Emergency Repairs completed on time. (Q4)	100%	97.22%
Routine Repairs Outstanding (31st March 2026)	0.01%	0.11%

Another of our corporate objectives is to end homelessness. We work hard to ensure our homes are not left empty for prolonged periods and that we use them to support those who are facing homelessness. The data below shows that we do manage to achieve those aims with regard our lettings activity.

Letting Performance Q4	ClwydAlyn	Welsh Sector Average
Lettings to alleviate homelessness. (Q4)	40.24%	36.90%
Routine Voids	0.81%	1.63%

At ClwydAlyn our values shine through in everything we do and that includes supporting our residents with kindness, even if they are facing financial challenges. We work with our residents should they find themselves in arrears and provide support to ensure they can manage their circumstances to the best of their ability. We also have a policy of no evictions into homelessness, and our residents feel safe that we will not make them homeless and if their home is not suitable, we will support them to find a home that is.

Arears and NOSP Performance Q4	ClwydAlyn	Welsh Sector Average
Arrears (Q4)	3.64%	3.57%
Notice of Seeking Possession due to arrears	0	43

Looking Ahead at ClwydAlyn

The group maintains a 30-year business plan which is subject to regular internal update and review each year. It is also reviewed annually by the Welsh Government as part of their Financial Viability oversight, and by our external consultants in support of the Treasury Strategy and to support analysis of future funding requirements. The Board are assured about ClwydAlyn's ability to operate over the long term and repay loans when they are due. This business plan is also subject to annual stress testing and resilience planning to ensure that the Association is robust enough to survive any significant financial shocks and has plans in place to deal with them.

The Corporate Plan includes corporate objectives spanning five years. These objectives are broken down into annual targets that are monitored by the Board, relevant Committee's and the Executive Team to ensure appropriate progress is made. The annual review of the Corporate Plan takes place alongside the review of the financial business plan to ensure that the Corporate Plan is funded appropriately and any adjustments made.

Risks and Uncertainties

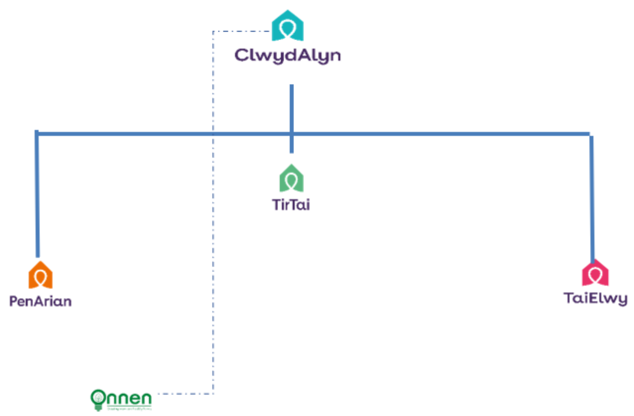
At ClwydAlyn we operate a dynamic risk register that is reviewed regularly at Board and as appropriate by its Committee's. During 2025/26 the Board added two further risks, concerning political changes (given the elections in 2026) and the impact of societal unrest on our communities (following protest activity during the year). In considering the risk register the Board looks at the barriers that may prevent achievement of the Corporate Plan, issues concerning the environment in which ClwydAlyn operates, including the economy, and any Welsh housing sector specific risks. At the end of March 2026, the key strategic risks identified were as follows:

Risk	Inherent Risk	Current Risk	Target Risk Score	Comment
03 - Failure to respond to climate change	16	9	9	Property Committee monitor asset management issues & development, full risk monitored at Board.
04 - Failure to meet property regulatory and Legal Standards through not complying with Health and Safety	25	15	9	Recent amendment to Welsh Housing Quality Standards regarding hazards, subsequent changes are being embedded. Monitored at Property Committee.
05 - Failure to deliver new homes targets	16	8	8	Development projects monitored by Property Committee and annual development targets.
09 - Inability to attract, recruit and retain the right people who align with our values	15	9	6	People Committee oversight of People Strategy and action plan.
11 - The voice of residents is not heard and acted on	12	6	4	Resident Committee and Board involvement in Resident Influence Strategy development.
13 - Failure to Access Funding / Cash	16	9	6	Current risk temporarily increased while security for latest loan is confirmed.
15 - IT / Cyber Security Threat	20	12	9	Assurance Committee oversight of Action Plan.

				Security Operations Centre in development.
16 - Failure to ensure robust data quality and data integrity	16	9	6	Assurance Committee oversight of Data Strategy, action plan and audits.

Group Structure

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



ClwydAlyn Housing Limited – a charitable Registered Social Landlord (Co-Operative and Community Benefit Societies Act 2014) which develops, owns, manages, and maintains housing, as well as providing housing and care & support services.

TirTai Limited – the development arm of the Group, undertaking all the development activities on behalf of the Group. A Company Limited by Guarantee whose sole shareholder is ClwydAlyn.

PenArian Housing Finance Plc - a special purpose vehicle set up to administer the bond finance for the group. A Public Limited Company.

Tai Elwy Limited - the commercial vehicle to undertake activities and projects outside of ClwydAlyn's charitable aims – particularly without grant funding. (currently Dormant). A Private Company Limited by Shares – ClwydAlyn is the sole shareholder.

Onnen – A Joint Venture with Cartrefi Conwy established to deliver decarbonisation work and provide investment in low energy efficient homes. Onnen will act as a principal contractor and sub-contract work to third parties.

Governance Arrangements

We are led by a Board, supported by its Committees and Executive Team with a wide range of experience in relevant fields. They are responsible for leading the strategic direction and development of the Group. During 2025/26 ClwydAlyn undertook a Board Effectiveness Review, conducted by external consultants. The outcome of this review was very positive, and the Board have used the feedback obtained to continuously develop and improve. Further details about our Board, Committees and The Executive Team can be found on our website.

https://www.clwydalyn.co.uk/meet-the-team/

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

The ClwydAlyn Board is supported by four Committees, the Assurance Committee, the People Committee, the Property Committee, and the Resident Committee.

Assurance Committee

The Assurance Committee provides the Board with assurance on the effectiveness of the Group's internal control system (which includes risk management, operational and compliance controls), internal & external Audit and financial reporting.

People Committee

The People Committee provides the Board with assurance that the organisational climate and culture is operating and developing in keeping with the group's values and mission and manages people and culture risks well.

Property Committee

The Property Committee provides the Board with assurance on the quality, value for money and performance of investment in both building new homes and maintaining existing homes.

Resident Committee

The Resident Committee provides the Board with assurance on resident engagement, resident scrutiny.

Board, Committee Members and The Executive Team

ClwydAlyn Board

Name	Board/Committee	Appointed	Stood Down
Cris McGuinness	Chair ClwydAlyn Board, PenArian, Tir Tai, and People Committee	September 2023	
Hayley Hulme	ClwydAlyn Board and Chair Property Committee	September 2021	
Clare Budden	ClwydAlyn Board, Tir Tai, PenArian	April 2018	
Nia Hughes	Chair Tir Tai, ClwydAlyn, PenArian and Assurance Committee	October 2019	
Robert Morton	Chair PenArian Board, ClwydAlyn, Tir Tai and Chair Assurance Committee	April 2020	
Roger Rowett	ClwydAlyn Board and Chair of People Committee	May 2020	
Edward Hughes	ClwydAlyn Board	November 2020	
Peter Smith-Hughes	ClwydAlyn Board and Chair Resident Committee	September 2022	
Sally Thomas	ClwydAlyn Board, People Committee	September 2023	

Name	Board/Committee	Appointed	Stood Down
Bethan Smith	ClwydAlyn Board, Assurance Committee	September 2023	February 2026
Tania Silva	ClwydAlyn Board and Property Committee	September 2023	
Brian Strefford	ClwydAlyn Board and Resident Committee	September 2023	
Nik Evans	ClwydAlyn Board and Property Committee	May 2025	

Independent Committee Members

Name and Committee	Appointed	Stood down
Debbie Attwood – People Committee	November 2019	October 2025
Eileen Smith-Hughes – People and Property Committee	September 2022	July 2025
Tom Bishop – Vice-Chair Staff Forum	November 2023	August 2025
Lorraine Orger – Chair Staff Forum	October 2022	September 2025
Laura James Mowbray – People Committee	April 2024	January 2026
Jen Griffiths – Assurance Committee	September 2023	
Rob Chapman – Assurance Committee	December 2024	
Wyn Thomas – Assurance Committee	December 2024	
Michael Larkin – Property Committee	June 2021	
Jo Ellis-Bartlett – People Committee	June 2026	
Alex Kinch – People Committee	February 2026	

Resident Committee Members

Name	Appointed	Stood down
Peter Smith-Hughes - Chair	January 2018	
Brian Strefford - Vice Chair	January 2018	
Carol Quinn	September 2019	
David Perkins	December 2022	February 2026
Andrew O’Brian	June 2023	
Ashley Knight	September 2023	
Rachel King	October 2023	August 2025
Samantha Doidge	September 2024	December 2025
Rebecca Evans	January 2025	October 2025
Steve Walker	February 2026	

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

The Executive Team

Name	Role
Clare Budden	Group Chief Executive
Sandy Murray	Executive Director Resources
Craig Sparrow	Executive Director Property & Development

Name	Role
Sian Williams	Executive Director People, Culture & Communications
Suzanne Mazzone	Executive Director Housing Service
Edward Hughes	Executive Director Care, Support, Home Ownership, Health and Safety

The Welsh Regulatory Environment

ClwydAlyn is regulated by the Welsh Government. During 2025/26 ClwydAlyn was assessed against the revised Regulatory Standard and was found to be compliant, achieving green for governance (including tenant services) and green financial viability. Our self-assessment can be found on our website here.

The Strategic Report was approved by the Board on 2nd September 2025 and signed on its behalf by:

Clare Budden

Group Chief Executive

Statutory, Regulatory and Other Information

Executive Management

The Group Board delegates day-to-day management of activities to the Group Chief Executive, Clare Budden, who is responsible for ensuring that the organisation has appropriate executive arrangements in place to meet Group objectives and targets, and that those arrangements reflect the complex needs of the business, including financial performance, capital investment, compliance, growth and business planning. The Chief Executive is supported by the Executive Management Team comprising five Executive Directors, covering Resources, People, Development and Asset Management, Housing and Care and Support.

Audit

Menzies LLP provide external audit services and RSM performed internal audit services during the financial year. There is an annual review of the performance of the audit functions carried out by the Assurance Committee.

Group Financial Statements

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

Rent

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

Health and Safety

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

Political and charitable donations

The Group made no donations to political organisations (2025: none). The Group made donations to charitable organisations of £150k (2025: £75k).

Employee engagement

We have a well-established Staff Forum that represents staff views on a variety of matters, the Forum is comprised of Staff Representatives and Staff Champions. We also canvas our employees' views through the year using pulse surveys, this gives an indication of employee engagement and culture in the organisation on a range of subjects from learning and development, wellbeing and internal communications.

Ethical business

The Group is committed to conducting its business in an ethical and responsible manner. This involves making decisions which are not purely based on economic considerations, but also social and environmental impacts. During the year we issued our ESG report reflecting the work we have done round our wider Environmental, Social and Governance agenda.

We understand the requirements under the Modern Slavery Act and we have been working with our larger suppliers to understand how they manage this risk within their business. Our modern slavery statement is available on our website.

Equality and diversity

Through social media, our website, and our internal communication channels, we have supported and promoted Pride Month, as well as other awareness raising initiatives such as Black History Month and National Inclusion Week. A member of our Hafan Pawb (peer support network for people who are neurodiverse) also led, designed and supported the delivery of a second conference, in partnership with Wrexham University, to raise awareness of autism in the workplace and how organisations can better support people with neurodiversity. The conference received a huge amount of interest and was successful in engaging organisations from a wide range of sectors through stories of lived experience and practical advice of steps we can all take to enable neurodiverse people to feel supported at work.

Our Inclusion Network and Hafan Pawb continue to reinforce connections across the organisation so they have a greater influence in key decisions and plans, we regularly consult with these networks to consult on policies and strategies and are doing more of through our Inclusive Decision Making Framework this year which now accompanies all relevant strategies and ensures that colleagues consider a wide range of diverse views and perspectives.

ClwydAlyn employs over 700 colleagues across a wide variety of roles including care, maintenance, housing and homeless services. Our workforce profile for this financial year was made up of two thirds female and one third male and in terms of pay we pay the Real Living Wage and market median salaries. For 2025/26 our mean gender pay gap was 7.29% which was an improvement from the previous year at 13.26%, with the median at 16.79% with the previous year at 20.45%. The gender pay gap measures the difference in average pay between male and female employees.

Events after the reporting period

There were no significant events after the reporting period.

Internal Controls

The Group Board is responsible for maintaining an internal control system appropriate to the business environments in which the Group operates and the risks it faces. These controls are designed to meet the Group's needs and provide reasonable, but not absolute, assurance against material misstatement or loss.

The Group Board has established key procedures, supported by clear lines of responsibility through the scheme of delegation, to provide reasonable assurance over:

- the reliability of financial information used within ClwydAlyn or for publication;

- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposition.

Major business risks are identified through continuous monitoring. The financial control framework includes:

- the Group Board's direct responsibility for strategic risk management;
- formal policies, documented key systems and delegated authorities to monitor controls and restrict unauthorised use of assets;
- experienced, suitably qualified staff responsible for key business functions, supported by annual appraisal procedures;
- executive monitoring of key risks, financial objectives and management accounts, including investigation of significant variances;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures.
- Assurance Committee review of reports from management and auditors to confirm controls are in place and operating effectively; and
- annual internal and external audit opinions on internal controls and the financial statements.

On behalf of the Group Board, the Assurance Committee has reviewed the effectiveness of the systems of internal control in existence in the Group for the year ended 31 March 2026 and is not aware of any material changes at the date of signing the Financial Statements.

Arrangements for Managing the Risk of Fraud

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

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

Going Concern

The financial statements have been prepared on a going concern basis. As of 31 March 2026, the Association's current liabilities exceeded its current assets by £3.9m.

The Board has considered the Association's liquidity and funding position. At the balance sheet date, £22m remained available under the Association's Revolving Credit Facility and £27.5m available under a loan facility with Principality Building Society. The Board has approved forecasts and cash flow projections which demonstrate that the Association has sufficient resources to meet its obligations as they fall due for a period of at least twelve months from the date of approval of these financial statements.

Accordingly, the Board considers it appropriate to prepare the financial statements on a going concern basis.

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

Board members are responsible for preparing the Report of the Board of Management and the Financial Statements in accordance with applicable law and regulations.

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

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

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

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

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

Disclosure of Information to the Auditor

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

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

AUDITOR: Menzies LLP.

BY ORDER OF THE BOARD DATED: 28th July 2026

Rachel Storr Barber - **Company Secretary**

DocuSigned by:
Rachel Storr-Barber
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Independent Auditor's Report to the Members of ClwydAlyn Limited

Opinion

We have audited the financial statements of ClwydAlyn Housing Limited ('the Association') and its subsidiaries ('the Group') for the year ended 31 March 2026 which comprise the Group and Association Statement of Comprehensive Income, the Group and Association Statement of Financial Position, the Group and Association Statement of Changes in Reserves, the Group Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2026 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Cooperative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Strategic Report and Statutory, Regulatory and Other information, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

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

With respect to the Board's Statement of internal control on pages 15 – 16, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Statement of the Responsibilities of the Board for the Report and Financial Statements set out on page 15-17, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or the Association or to cease operations, or 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.

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 auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act 2014, the Cooperative and Community Benefit Societies (Group Accounts) Regulations 1969, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015, tax legislation, health and safety regulation, and employment legislation.

- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.

- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.

- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Association's activities.

- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.

- We enquired of the Board about actual and potential litigation and claims.

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our Report

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.

Menzies LLP
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Signed:

Signed by:
Menzies LLP
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Date: 14/9/2026

Group Statement of comprehensive income for the year ended 31 March 2026

	Notes	2026 £'000	2025 £'000
TURNOVER	3	**68,188**	63,951
Operating costs	3	**(55,631)**	(51,735)
Surplus on sale of fixed asset properties	5	**1,808**	692
Transfer of Engagements			-
OPERATING SURPLUS		**14,365**	12,908
Interest receivable and similar income		**408**	1,659
Interest payable and similar charges	6	**(9,204)**	(8,800)
Share of operating surplus in joint venture		**63**	83
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		**5,632**	5,850
Tax on surplus on ordinary activities	7	**(286)**	(43)
SURPLUS FOR THE YEAR		**5,346**	5,807
OTHER COMPREHENSIVE INCOME			
Actuarial gain in respect of pension scheme	19	**251**	619
TOTAL COMPREHENSIVE INCOME		**5,597**	6,426

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

Group Statement of changes in reserves

	Revenue Reserve including Pension Reserve £'000
At 1 April 2024	**22,839**
Surplus for the year	**5,807**
Actuarial gain in respect of pension schemes	**619**
At 31 March 2025	**29,265**
Surplus and total comprehensive expenditure for the year	**5,346**
Actuarial gain in respect of pension schemes	**251**
At 31 March 2026	**34,862**

The notes on pages 28 to 52 form part of these financial statements.

The financial statements on pages 23 to 52 were approved by the Board of Management on 28th July 2026 and were signed on its behalf by:

Cris McGuinness **Chair**
DocuSigned by:
Cris McGuinness
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Hayley Hulme **Vice Chair**
Signed by:
Hayley Hulme
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Rachel Storr Barber **Secretary**
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Rachel Storr-Barber
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Association Statement of Comprehensive Income for the year ended 31 March 2026

	Notes	2026 £'000	2025 £'000
TURNOVER	3	**70,406**	65,971
Operating costs	3	**(57,851)**	(53,757)
Surplus on sale of fixed asset properties	5	**1,808**	692
Transfer of Engagements		**-**	-
OPERATING SURPLUS		**14,363**	12,906
Interest receivable and similar income		**408**	1,659
Interest payable and similar charges	6	**(9,204)**	(8,800)
Gift Aid Receivable		**676**	648
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		**6,243**	6,413
Tax on surplus on ordinary activities	7	**(286)**	(43)
SURPLUS FOR THE YEAR		**5,957**	6,370
OTHER COMPREHENSIVE INCOME			
Actuarial gain in respect of pension scheme	19	**251**	619
TOTAL COMPREHENSIVE INCOME		**6,208**	6,989

The Companies turnover and expenses all relate to continuing operations.

Association Statement of changes in reserves

	Revenue Reserve including Pension Reserve £'000
At 1 April 2024	**26,000**
Surplus and total comprehensive income for the year	**6,370**
Actuarial gain in respect of pension schemes	**619**
At 31 March 2025	**32,989**
Surplus and total comprehensive expenditure for the year	**5,957**
Actuarial gain in respect of pension schemes	**251**
At 31 March 2026	**39,197**

The notes on pages 28 to 52 form part of these financial statements.

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Rachel Storr Barber **Secretary**
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Rachel Storr-Barber
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Group Statement of Financial Position as at 31 March 2026

	Notes	2026 £'000	2025 £'000
FIXED ASSETS			
Tangible assets			
Housing properties - Cost	11	**796,066**	731,262
Housing properties – Depreciation	11	**(89,926)**	(84,241)
		706,140	647,021
Other tangible fixed assets	12	**6,266**	6,061
FIXED ASSET INVESTMENTS			
Homebuy loan	13	**2,900**	3,018
		715,306	656,100
CURRENT ASSETS			
Stocks	14	**453**	452
Debtors – due after one year	15	**2,955**	3,056
Debtors – due within one year	15	**8,230**	5,586
Investments	16	**65**	65
Cash at bank and cash equivalents		**17,677**	15,125
		29,380	24,284
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	17	**(25,928)**	(25,956)
NET CURRENT (LIABILITIES)/ASSETS		**3,452**	(1,672)
TOTAL ASSETS LESS CURRENT LIABILITIES		**718,758**	654,429
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	18	**(681,512)**	(621,488)
PROVISION FOR LIABILITIES Pension Defined Benefit Liability	19	**(2,384)**	(3,676)
Deferred taxation	22	**-**	-
NET ASSETS		**34,862**	29,265
CAPITAL AND RESERVES **Non-equity share capital reserves**	23	**34,862**	29,265
		34,862	29,265

The notes on pages 28 to 52 form part of these financial statements.

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Hayley Hulme	**Vice Chair**	Signed by: Hayley Hulme A58FFD041C3F4BA...
Rachel Storr Barber	**Secretary**	DocuSigned by: Rachel Storr-Barber BF3A8B76460748E...

Association Statement of Financial Position as at 31 March 2026

	Notes	2026 £'000	2025 £'000
FIXED ASSETS			
Tangible assets			
Housing properties - Cost	11	**800,571**	735,093
Housing properties – Depreciation	11	**(89,926)**	(84,241)
		710,645	650,852
Other tangible fixed assets	12	**6,266**	6,061
FIXED ASSET INVESTMENTS			
Homebuy loan	13	**2,900**	3,018
Investments	26	**50**	50
		719,861	659,981
CURRENT ASSETS			
Stocks	14	**453**	452
Debtors – due after one year	15	**2,955**	3,057
Debtors – due within one year	15	**8,621**	5,192
Investments	16	**65**	65
Cash at bank and cash equivalents		**17,676**	15,123
		29,770	23,889
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	17	**(26,155)**	(24,472)
NET CURRENT (LIABILITIES)/ASSETS		**3,615**	(583)
TOTAL ASSETS LESS CURRENT LIABILITIES		**723,476**	659,398
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	18	**(681,895)**	(622,730)
PROVISION FOR LIABILITIES Pension Defined Benefit Liability	19	**(2,384)**	(3,676)
Deferred taxation	22		-
NET ASSETS		**39,197**	32,992
CAPITAL AND RESERVES **Non-equity share capital reserves**	23	**39,197**	32,992
		39,197	32,992

The notes on pages 28 to 52 form part of these financial statements.

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Rachel Storr Barber **Secretary**

Group Statement of Cash Flows for the year ended 31 March 2026

	2026	2025
Cash from operating activities	£'000	£'000
Surplus for the financial year before tax	5,632	6,426
Depreciation of fixed assets	9,042	7,663
Amortised grant	(2,804)	(2,145)
Interest payable	9,204	8,800
Interest received	(408)	(1,659)
Tax on surplus for the year	286	43
(Increase) / decrease in trade and other debtors	(2,541)	(173)
Increase / (decrease) in trade and other creditors	840	3,728
(Increase) / decrease in stocks	(1)	(2)
Increase / (decrease) in provisions	(1,291)	(1,712)
Add back deficit / (surplus) on sale of fixed assets	(1,808)	(692)
Difference between pension expense /cash contribution	(1)	(1)
Cash from operations	16,150	20,276
Taxation paid	(150)	(7)
Net cash generated from operating activities	16,000	20,269
Cash flow from investing activities		
Purchase of fixed assets – housing properties	(75,086)	(79,295)
Purchase of fixed assets – other	(1,062)	(1,435)
Proceeds from sale of fixed assets	9,116	1,523
Grants received	37,527	26,735
Grants repaid	(245)	(147)
Interest received	408	1,659
Net cash from investing activities	(29,342)	(50,960)
Cash flows from financing activities		
Interest paid and loan breakage costs	(9,941)	(9,587)
New loans	26,884	146
Loans repaid	(536)	(673)
Debt issue costs incurred	(513)	90
Net cash used in financing activities	15,894	(10,024)
Net increase in cash and cash equivalents	2,552	(40,715)
Cash and cash equivalents at beginning of year	15,125	55,840
Cash and cash equivalents at the end of the year	17,677	15,125
Free cash flow		
Net cash generated from operating activities,	16,000	20,269
Interest paid	(9,941)	(9,587)
Interest received	408	1,659
Adjustments for reinvestment in existing properties:		
Component replacements	(7,408)	(7,180)
Free cash generated before loan repayments	(941)	5,161
Loans repaid	(536)	(673)
Free cash generated after financing activities	(1,477)	4,488

The notes on pages 28 to 52 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2026

Legal Status

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

1. ACCOUNTING POLICIES

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

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

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

The following principal accounting policies have been applied:

Basis of preparation and going concern

The Group Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least twelve months from the date of this report. Accordingly, it continues to adopt the going concern basis in preparing the Group and Association’s Financial Statements. The Board of Management present their report and financial statements for the year ended 31st March 2026.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Association, and its subsidiary undertakings made up to 31 March 2026.

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

Turnover

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

Government grants

Grants received in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the balance sheet and released to the statement of comprehensive income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with the Housing SORP 2018 the useful economic lives of the housing property structure is 125 years which is in line with the rate of depreciation for housing structures as detailed in the depreciation table below.

Where social housing grant funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the statement of comprehensive income.

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

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

Fixed asset investments - Homebuy loans

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

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

Investments

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

Shared ownership sales – first tranche

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

Finance costs

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

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

Retirement benefits

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

Depreciation

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

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

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

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

Structure	125 years
Roofs	75 years
Kitchens – general needs	25 years
Kitchens – supported needs	10 years
Kitchens – hostels & homeless	6 years
Bathrooms – general needs	25 years
Bathrooms – supported needs	15 years
Bathrooms – hostels & homeless	8 years
Doors – general needs / supported needs	25 years
Doors – hostels & homeless	20 years
Windows – general needs / supported needs	30 years
Windows – hostels & homeless	25 years
Fire Systems – general needs / supported needs	20 years
Fire Systems – hostels & homeless	10 years
Solar Panels	25 years
External Wall Insulation	30 years
Internal Wall Insulation	30 years

Ground Source Heat Pump	25 years
Infrared Heating	40 years
PV Invertors	15 years
PV Batteries	10 years
Air Source Heat Pumps	20 years
Electrical Heating Installation	25 years
Hot Water Cylinders	40 years
Property Rewires	30 years
Retaining Walls	30 years

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

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

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

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

Tangible fixed assets – Housing Properties

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

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

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

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

Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

Debtors and creditors

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

Cash and cash equivalents

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

Recoverable amount of rental and other trade receivables

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

Loans, investments and short-term deposits

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

Holiday pay accrual

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

Contingent liabilities

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

Funds Held in Trust

The group operates both fixed and variable service charges on a scheme-by-scheme basis. Service charges on all schemes are set on the basis of budgets. Where variable service charges are used the budget will include an allowance for the surplus or deficit from prior years, with a surplus being returned to residents in the form of a reduced charge for the year and a deficit being recovered via a higher service charge. Charges made for the replacement of equipment and repairs are held in provisions which are ring-fenced for use on those estates. Such liabilities are disclosed under creditors on the balance sheet, as funds held in trust.

Social Housing Pension Scheme

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

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

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

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

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

The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 inclusive.

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

Judgements In Applying Policies

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

- Whether there are indicators of impairment of the group’s tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The members have considered the measurement basis to determine the recoverable amount of the assets where there are indicators of impairment based on EUV-SH (existing use value social housing) or depreciated replacement cost. The members have also considered impairment based on their assumptions to define cash or asset generating units.
- The anticipated costs to complete on a housing property development scheme based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, we then determine the

recoverability of the cost of properties developed for sale. This judgement is also on the member's best estimate of sales value based on economic conditions within the area of development.

- Whether leases entered into by the group either as a lessor or a lessee are classified as operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.
- The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

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

2. KEY SOURCES OF ESTIMATION UNCERTAINTY

The appropriate allocation of costs for mixed tenure developments; and furthermore, the allocation of costs relating to shared ownership between current and fixed assets.

The estimate for rental and other trade receivables relates to the recoverability of the balance outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

The Association is diverse and receives significant government and public sector financial support through housing benefit and contract payments for supported living and care placements. This means that the Association considers there would be no impairment of its revenue generating assets and that existing EUV-SH valuations for its housing stock are reasonable. While short term cost pressures have been seen in the care homes with higher than normal voids, the demand for places is high and there should be no long-term detriment to the valuations of these assets and current valuations are reasonable. The Association has a number of 'Homebuy' properties that are held at historic cost which, in most cases, is significantly below current market valuations and means no impairment is necessary. The Association does not build houses for market sale.

The Association has concluded that there is no impact on its bad debt provision or arrears for 2025/26 and it does not expect any impact during 2026/27.

3. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS/(DEFICIT)

GROUP	Turnover	Operating Costs	2026 Operating surplus (deficit)	Turnover	Operating Costs	2025 Operating surplus (deficit)
Social Housing lettings (Note 4)	**66,337**	**(55,355)**	**10,982**	62,713	(51,537)	11,176
Other social housing activities:						
First tranche property sales	**-**	**-**	**-**	-	-	-
Sales and Marketing	**23**		**23**	32	-	32
Development overheads written off		**(15)**	**(15)**	-	26	26
Other	**1,375**		**1,375**	926	-	926
Non-social housing activities						
Lettings	**381**	**(152)**	**229**	224	(121)	103
Other	**72**	**(109)**	**(37)**	57	(104)	(47)
Total	**68,188**	**(55,631)**	**12,557**	63,952	(51,736)	12,215

Operating surplus in Statement of Comprehensive Income of £14,363k includes gains of £1,808k (2025: £692k) on disposal of housing.

ASSOCIATION	Turnover	Operating Costs	2026 Operating surplus (deficit)	Turnover	Operating Costs	2025 Operating surplus (deficit)
Social Housing lettings (Note 4)	**66,337**	**(55,355)**	**10,982**	62,712	(51,537)	11,175
Other social housing activities						
First tranche property sales	**-**	**-**	**-**	-	-	-
Sales and Marketing	**23**		**23**	32	-	32
Development Services	**2,219**	**(2,186)**	**33**	2020	(1,990)	30
Development overheads written off		**(15)**	**(15)**		26	26
Other	**1,375**		**1375**	926	-	926
Non-social housing activities						
Lettings	**381**	**(152)**	**229**	224	(121)	103
Other	**72**	**(142)**	**(70)**	57	(134)	(77)
Total	**70,406**	**(57,851)**	**12,557**	65,971	(53,756)	12,215

Operating surplus in Statement of Comprehensive Income of £14,363k includes gains of £1,808k (2025: £692k) on disposal of housing properties.

4. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

GROUP and ASSOCIATION	General needs and sheltered housing £'000	Supported housing £'000	Other social housing letting income £'000	2026 Total £'000	2025 Total £'000
Income					
Rents receivable	35,126	1,321	4,145	40,592	37,350
Service charges receivable	6,221	2,562	7,127	15,910	16,696
Income for support services	1,416	5,065	405	6,886	6,332
Other income from lettings	119	1	25	145	35
Amortised grants	2,677	63	64	2,804	2,300
Turnover from social housing lettings	45,559	9,012	11,766	66,337	62,713
Cost					
Management costs	7,784	516	2,290	10,590	8,959
Service costs	10,157	5,650	6,383	22,190	22,376
Routine maintenance	10,107	482	767	11,356	10,705
Major repairs expenditure	2,782	7	44	2,833	2,367
Bad debts	130	42	13	185	266
Depreciation of housing properties	7,684	262	255	8,201	6,864
Impairment of housing properties					-
Operating costs on social housing activities	38,644	6,959	9,752	55,355	51,537
Operating surplus on social housing lettings	6,915	2,052	2,013	10,982	11,176
Void Losses					
Rent loss due to voids	431	65	286	782	1,233
Service charge loss due to voids	86	152	4	242	284
Total Void Loss	517	217	290	1024	1,517

5. SALES OF FIXED ASSET PROPERTIES

GROUP AND ASSOCIATION	Shared ownership further tranches	Right to Buy & to Acquire & Other	2026 Total £'000	2025 Total £'000
Proceeds of sales	1,094	8,397	9,491	3,917
Cost of sales: NBV	(299)	(8,786)	(9,085)	(3,664)
Depreciation on disposal	21	1,381	1402	439
Surplus	816	992	1,808	692

6. INTEREST PAYABLE AND SIMILAR CHARGES

GROUP and ASSOCIATION	2026 £'000	2025 £'000
Bank loans, overdrafts, and other loans:		
- by instalments	9,761	9,355
- other than by instalments		-
Interest on DB pension scheme liabilities	180	232
	9,941	9,587
Less: Capitalised	(737)	(787)
Total Interest Payable	9,204	8,800

7. TAXATION

GROUP	2026 £'000	2025 £'000
UK Corporation tax charge for the year	180	43
Adjustments in respect of prior years	106	-
Total current tax charge for the year	286	43
Deferred tax charge / (credit) for the year	-	-
Total deferred tax charge / (credit) for the year (note 22)	-	-
Total tax charge for the year	286	43
Factors affecting the current tax charge for the year:		
Profit for the year before taxation	5,632	5,850
Tax on profit on ordinary activities at 25% (2025: 25%)	1,408	1,463
Income / expenses not deductible for tax purposes	(1,059)	(1,238)
Other permanent differences	(169)	(162)
Adjustments in respect of prior years	106	-
Deferred tax not recognised	-	(20)
Marginal Relief	-	-
Total tax charge for the year	286	43
ASSOCIATION		
UK Corporation tax at 25% (2025 25%)	180	43
Adjustments in respect of prior years	106	-
Total current tax charge for the year	286	43
Deferred tax origination and reversal of timing differences	-	-
Total deferred tax charge / (credit) for the year (note 22)	-	-
Total tax charge for the year	286	43
Factors affecting the current tax charge for the year:		
Profit for the year before taxation	6,243	6,414
Current tax payable at 25% (2025: 25%)	1,561	1,604
Expenses not deductible for tax purposes	16,665	15,270
Income not deductible for tax purposes	(18,046)	(16,813)
Adjustments to tax charge in respect of previous periods	106	-
Deferred tax not recognised	0	(18)
Total tax charge for the year	286	43

8. AUDITOR REMUNERATION

	2026	2025
GROUP	**£'000**	£'000
In their capacity as auditor (excluding VAT)	**80**	65
In respect of other services (excluding VAT)	**2**	2
ASSOCIATION		
In their capacity as auditor (excluding VAT)	**60**	45
In respect of other services (excluding VAT)	**2**	2

9. STAFF COSTS

GROUP and ASSOCIATION	2026 £'000	2025 £'000
Staff costs including directors:		
Wages and salaries	22,698	21,793
Social security costs	2,737	2,008
Other pension costs	1,159	1,065
	26,594	24,866

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

	Number 2026	Number 2025
Office staff	156	128
Housing staff	68	56
Care staff	389	480
Maintenance	173	125
Total employees	786	789
Total employees at the year end	760	808

10. KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel comprise the executive and non-executive directors. Total remuneration amounted to £893k, (2025: £917k).

GROUP and ASSOCIATION	2026 £'000	2025 £'000
Remuneration for executive directors for the year ended 31 March 2026	825	848

The remuneration for executive directors disclosed above include pension contributions.

Non-executive Board Member remuneration for the year ended 31 March 2026:	2026 £'000	2025 £'000
Cris McGuinness	12	11
Rob Morton	8	8
Peter Smith-Hughes	8	8
Hayley Hulme	7	7
Roger Rowett	7	7
Brian Strefford	6	6
Nia Hughes	5	5
Sally Thomas	5	5
Tania Silva	5	5
Bethan Smith	5	5
	68	67

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

	2026 £'000	2025 £'000
The highest paid executive excluding pension contributions	160	157

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

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

	2026	2025
£50,000 - £59,999	**22**	21
£60,000 - £69,999	**12**	13
£70,000 - £79,999	**2**	2
£80,000 - £89,999	**2**	2
£90,000 - £99,999		-
£100,000 - £109,999		-
£110,000 - £119,999	**1**	3
£120,000 - £129,999	**2**	1
£130,000 - £139,999	**2**	-
£170,000 - £179,999		-
£180,000 - £189,999	**1**	1

Remuneration of senior personnel includes the employer contribution to pension.

Loans to employees outstanding at 31 March 2026 totalled £72k (2025: £62k).

11. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

GROUP	Housing properties held for lettings £'000	Housing properties in the course of construction £'000	Completed shared ownership housing properties £'000	Total £'000
COST				
At 1 April 2025	577,314	130,218	23,730	731,262
Additions – components	6,660	527	221	7,408
Additions	2,565	64,656	-	67,221
Disposals components	(972)	-	(16)	(988)
Disposals - other	(8,538)	-	(299)	(8,837)
Schemes completed	108,218	(108,218)	-	-
At 31 March 2026	685,247	87,183	23,636	796,066
DEPRECIATION AND IMPAIRMENT				
At 1 April 2025	79,652	-	4,589	84,241
Charge for the year	7,936	-	265	8,201
Disposals	(2,443)	-	(73)	(2,516)
At 31 March 2026	85,145	-	4,781	89,926
NET BOOK VALUE				
At 31 March 2026	600,102	87,813	18,855	706,140
At 31 March 2025	497,662	130,218	19,141	647,021

ASSOCIATION	Housing properties held for lettings £'000	Housing properties in the course of construction £'000	Completed shared ownership housing properties £'000	Total £'000
COST				
At 1 April 2025	580,489	130,871	23,730	735,090
Additions – components	6,660	527	221	7,408
Additions	2,565	65,332	-	67,897
Disposals components	(972)	-	(16)	(988)
Disposals - other	(8,537)	-	(299)	(8,836)
Schemes completed	108,549	(108,549)	-	-
At 31 March 2026	688,754	88,181	23,636	800,571
DEPRECIATION AND IMPAIRMENT				
At 1 April 2025	79,652	-	4,589	84,241
Charge for the year	7,936	-	265	8,201
Disposals	(2,443)	-	(73)	(2,516)
At 31 March 2026	85,145	-	4,781	89,926
NET BOOK VALUE				
At 31 March 2026	603,609	88,181	18,855	710,645
At 31 March 2025	500,837	130,871	19,141	650,849

All housing properties are freehold.

Surpluses totalling £4.504m generated by Tir Tai (development subsidiary) though recharges to ClwydAlyn (parent company) have been consolidated out of the Group's housing property costs. Maintenance expenditure of £2.834m was capitalised to existing properties in the year (2025 £7.180m).

Total maintenance expenditure to existing properties of £11.313m (2025 £13.072m) was charged to the Income and Expenditure account in the year. Interest charges incurred on the financing of housing properties are capitalised up to the date of practical completion. The cumulative interest and finance charges included in housing properties at cost amounted to £6.606m (2025 £5.869m).

The carrying amount of the housing properties that have been pledged as security for the housing loans (including undrawn facilities) is £325m (2025 £289m).

12. TANGIBLE FIXED ASSETS – OTHER

GROUP and ASSOCIATION	Freehold Offices £'000	Fixtures & Fittings £'000	Computer Equipment & software £'000	Vehicles £'000	Total £'000
COST					
At 1 April 2025	3,770	504	6,852	3,069	14,195
Additions	-	21	418	623	1,062
Disposals	-	-	-	(99)	(99)
At 31 March 2026	3,770	525	7,270	3,593	15,158
DEPRECIATION					
At 1 April 2025	1,330	410	4,836	1,558	8,134
Charge for the year	78	30	397	336	841
Disposals	-	-	-	(83)	(83)
At 31 March 2026	1,408	440	5,233	1,811	8,892
NET BOOK VALUE					
At 31 March 2026	2,362	85	2,037	1,782	6,266
At 31 March 2025	2,440	94	2,016	1,511	6,061

13. FIXED ASSET INVESTMENTS – HOMEBUY LOANS

GROUP and ASSOCIATION	2026 £'000	2025 £'000
COSTS		
At 1 April	3,018	3,118
Additions in year	-	-
Disposals	(118)	(100)
At 31 March	2,900	3.018

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

14. STOCKS

GROUP and ASSOCIATION	2026 £'000	2025 £'000
Stock of tools & repairs equipment	**453**	452

15. DEBTORS

	2026 £'000	2025 £'000
GROUP		
Amounts falling due after one year:		
Grants receivable	**2,955**	3,056
Amounts falling due within one year:		
Rental debtors	**2,750**	3,120
Less: provisions for bad debts	**(763)**	(788)
	1,987	2,332
Grants receivable	**101**	97
Trade debtors	**563**	1,177
Loans to employees	**72**	62
Surplus on undertakings in joint venture	**146**	83
Prepayments and accrued income	**5,361**	1,835
	8,230	5,586
ASSOCIATION		
Amounts falling due after one year:		
Grants receivable	**2,955**	3,057
Amounts falling due within one year:		
Rental debtors	**2,750**	3,120
Less: provisions for bad debts	**(763)**	(788)
	1,987	2,332
Grants receivable	**101**	97
Loans to employees	**72**	62
Trade debtors	**401**	865
Amounts due from subsidiary undertakings	**699**	-
Prepayments and accrued income	**5,361**	1,836
	8,621	5,192

16. CURRENT ASSET INVESTMENTS

GROUP and ASSOCIATION	2026 £'000	2025 £'000
Money market and term deposits	**65**	65

Included above are deposits as security for certain loans of £65k (2025 = £65k).

17. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP	2026 £'000	2025 £'000
Housing loans	**533**	667
Trade creditors	**3,846**	3,295
Rent in advance	**1,946**	1,346
Corporation tax	**180**	43
Other taxation and social security costs	**730**	643
Other creditors	**9**	9
Pension deficit contributions	**-**	-
Deferred capital grant (note 20)	**2,804**	2,300
Accruals and deferred income	**10,986**	12,964
Fund held in trust	**4,894**	4,689
	25,928	25,956
ASSOCIATION		
Housing loans (note 18)	**533**	667
Trade creditors	**3,059**	3,292
Rent in advance	**1,946**	1,346
Corporation tax	**180**	43
Other taxation and social security costs	**730**	643
Other creditors	**9**	9
Pension deficit contributions	**-**	-
Deferred capital grant (note 20)	**2,804**	2,300
Accruals and deferred income	**4,722**	6,640
Fund held in trust	**4,894**	4,689
Amounts due to Group undertaking	**7,278**	4,843
	26,155	24,472

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

	2026	2025
GROUP	**£'000**	**£'000**
Housing loans	**71,037**	45,187
Housing loans - Bond issue	**225,000**	225,000
Recycled Capital Grant Fund	**3,634**	3,057
Deferred capital grant (note 20)	**377,996**	343,976
Homebuy grant (note 21)	**2,900**	3,018
Other Creditors	**945**	1,250
	681,512	621,488
ASSOCIATION		
Housing loans	**72,252**	46,428
Housing loans - Bond issue	**225,000**	225,000
Recycled Capital Grant Fund	**3,634**	3,057
Deferred capital grant (note 20)	**377,996**	343,976
Other Creditors	**113**	1,251
Homebuy grant (note 21)	**2,900**	3,018
	681,895	622,730
Housing loans - Group		
Amounts repayable by instalments:		
Not wholly repayable within five years:		
Repayable between one and two years	**580**	563
Repayable between two and five years	**2,259**	2,177
Repayable after five years	**288,198**	262,447
	291,037	265,187
Amounts repayable otherwise than by instalments		
Repayable after five years	**5,000**	5,000
	296,037	270,187
Amounts repayable by instalments repayable within one year	**533**	667
Total housing loans – Group	**296,570**	270,854
Housing loans – Association		
Amounts repayable by instalments:		
Not wholly repayable within five years:		
Repayable between one and two years	**580**	563
Repayable between two and five years	**2,259**	2,177
Repayable after five years	**289,413**	263,688
	292,252	266,428
Amounts repayable otherwise than by instalments:		
Repayable after five years	**5,000**	5,000
	297,252	271,428
Amounts repayable by instalments repayable within one year	**533**	667
Total housing loans – Association	**297,785**	272,095

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

At 31 March 2026 94% of the loans were fixed (2025: 100%). The fixed loans bore interest ranging from 3% to 11.09%, with a weighted average of 3.54% (2025: 2.96% to 11.18%, weighted average 3.62%).

At the year-end, 6% of the loans were variable (2025: 0%) and £49.5m remained undrawn under the Association's credit facilities.

The loan liability includes a £10.03m 45-year lease and leaseback arrangement with Aviva PLC. From an accounting perspective it has been assessed that, in substance, this is a basic loan arrangement secured on the properties of the association. Interest on the Aviva arrangement is payable quarterly and linked to CPI, the interest rate is therefore calculated as the effective rate of interest to discount the future cash flows to the amortised cost of the loan.

Recycled Capital Grant Fund	**2026 £'000**	2025 £'000
Recycled Capital Grant Fund at 1 April	**3,057**	3,700
Received in the year	**892**	431
Recycled in the year	**(315)**	(1,074)
Recycled Capital Grant Fund at 31 March	**3,634**	3,057

19. DEFINED BENEFIT PENSION OBLIGATIONS

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2026:

KEY ASSUMPTIONS	**2026 %**	2025 %
Discount Rate	**6.14**	5.85
Inflation (RPI)	**3.29**	3.09
Inflation (CPI)	**3.03**	2.79
Salary Growth	**4.03**	3.79

The mortality assumptions adopted at 31 March 2026 imply the following life expectancies:

Life expectancy	At age 65 years
Male retiring in 2026	20.9
Female retiring in 2026	23.2
Male retiring in 2046	22.2
Female retiring in 2046	24.6

GROUP ASSETS	**2026 £'000**	2025 £'000
Global Equity	**2,634**	2,508
Liquid Alternatives	**4,232**	4,151
Emerging Markets Debt		-

GROUP ASSETS	**2026 £'000**	2025 £'000
Insurance-Linked Securities	**35**	69
Property	**1,160**	1,121
Infrastructure	**1**	4
Private Equity	**51**	20
Real Assets	**2,238**	2,680
Private Credit	**2,870**	2,740
Credit	**946**	856
Investment Grade Credit	**1,398**	689
Cash	**5**	304
Long Lease Property		6
Secured Income	**721**	374
Liability Driven Investment	**7,247**	6,779
Currency Hedging	**(1)**	36
Net Current Assets	**231**	48
Total Assets	**23,768**	22,385

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

GROUP and ASSOCIATION	**2026 £'000**	2025 £'000
Analysis of the amount charges to operating expenditure in the Statement of Comprehensive Income		
Expenses	**(39)**	(30)
Past service cost		-
Total Operating Charge	**(39)**	(30)
Analysis of pension finance income / (costs)		
Expected return on pension scheme assets	**1,315**	1,128
Interest on pension liabilities	**(1,495)**	(1,360)
Amounts charged/credited to finance costs	**(180)**	(232)
Amount of gains and losses recognised in the Statement of Comprehensive Income		
Actuarial (losses) on pension scheme assets	**(159)**	(1,643)
Actuarial gains on scheme liabilities	**410**	2,261
Actuarial gain recognised	**251**	618
Surplus/(deficit) in scheme at 1 April		
Movement in year:		
Opening Defined Benefit pension liability	**(3,676)**	(5,388)
Expenses	**(39)**	(30)
Employer contributions	**1,260**	1,356
Past service cost		0
Net interest/return on assets	**(180)**	(232)
Remeasurements	**251**	618
(Deficit) in scheme at 31 March	**(2,384)**	(3,676)

GROUP and ASSOCIATION	2026 £'000	2025 £'000
Asset and Liability Recognition		
Recognition of Liabilities		
Liabilities at start of period	**26,061**	28,450
Service cost		
Interest cost	**1,495**	1,360
Employee contributions		-
Remeasurements	**(410)**	(2,261)
Benefits paid	**(1,033)**	(1,518)
Past service cost	**39**	30
Curtailments and settlements		-
Liabilities at end of period	**26,152**	26,061
Recognition of Assets		
Assets at start of period	**22,385**	23,062
Return on plan assets	**1,315**	1,128
Remeasurements	**(159)**	(1,643)
Employer contributions	**1,259**	1,356
Employee contributions	**0**	0
Benefits paid	**(1,032)**	(1,518)
Assets at end of period	**23,768**	22,385

The actual return on the plan assets (including any changes in share of assets) for the Group over the year ended 31 March 2026 was a credit value: £1,156k (2025: credit value: £515k).

20. DEFERRED CAPITAL GRANT

GROUP and ASSOCIATION	2026 £'000	2025 £'000
At 1 April	**346,276**	320,552
Grant received during year	**37,977**	28,347
Housing property disposals	**(649)**	(323)
Amortisation for the year	**(2,804)**	(2,300)
Net grant creditor 31 March	**380,800**	346,276
The grants are amortised as follows:		
Amounts falling due:		
Within one year (note 17)	**2,804**	2,300
Between one and two years	**2,804**	2,300
Between two and five years	**8,412**	6,900
In five years or more	**366,780**	334,777
In more than one year (note 18)	**377,996**	343,977
Total grant creditor	**380,800**	346,276

Gross capital grant received is £422.15m (2025: £384.95m).

21. HOMEBUY GRANT

GROUP and ASSOCIATION	2026 £'000	2025 £'000
At 1 April	**3,018**	3,118
Additions in the year		-
Disposals in the year	**(118)**	(100)
At 31 March	**2,900**	3,018

22. DEFERRED TAXATION

There was no deferred taxation.

23. NON-EQUITY SHARE CAPITAL

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

24. CAPITAL COMMITMENTS

GROUP	2026 £'000	2025 £'000
Capital expenditure contracted for but not provided for in the financial statements	**60,281**	67,866
Capital expenditure authorised but not yet contracted for in the financial statements.	**108,541**	88,891
ASSOCIATION		
Capital expenditure contracted for but not provided for in the financial statements	**32,430**	6,431

The capital expenditure is to be financed by a combination of grants (including Social Housing Grant) of £57 million, the existing cash balance of £18 million and additional lending. The group has access to the revolving credit facility of £22 million and a new £27.5 million loan facility.

GROUP and ASSOCIATION

At 31 March 2026 the association had no lease payments under non-cancellable operating leases.

25. ACCOMMODATION IN MANAGEMENT

GROUP and ASSOCIATION	2026 Number	2025 Number
General needs and other rented	**4617**	4,462
Sheltered & Extra Care	**768**	723
Supported Housing	**222**	234
Low-cost home ownership	**459**	453
Residential / Care Homes	**76**	130
Managed on behalf of others	**39**	40
Homebuy & D.I.Y.H.O	**184**	186
Intermediate rental	**400**	363
	6765	6,591

26. GROUP UNDERTAKINGS

As at 1 April 2025 and 31 March 2026.

Subsidiaries:

Subsidiary Name	Registered Number	Class and percentage issued shares	Nature of Business
Tir Tai Limited	Registrar of Companies - 06891152	Ordinary 100%	Development of Building Projects and Construction of Domestic Buildings
PenArian Housing Finance PLC	Registrar of Companies - 10766589	Ordinary 100%	Financial intermediation not elsewhere classified

Joint Ventures:

Joint Venture Name	Registered Number	Percentage Held	Nature of Business
Onnen Limited	Registrar of Companies - 14816333	Ordinary 50%	Property Maintenance

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

27. CONTINGENT LIABILITIES

The prior year financial statements included a contingent liability relating to the tax treatment of income generated by solar panels owned by the ClwydAlyn Group. Following a review completed by the Group's tax advisers, BDO, in November 2025, the matter was concluded and an additional Corporation Tax liability of £97k was agreed with HMRC and settled in December 2025. The resulting charge has been recognised in the 2025/26 financial statements as a prior year tax charge.

In March 2024 the Association became aware that it may not have been fully compliant with potential legal obligations arising under the Renting Homes (Wales) Act 2016 ("the Act") and the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022 (as amended) ("the Regulations"), in relation to the availability of valid Electrical Installation Condition Reports ("EICRs") for certain homes for a period of time. The legal uncertainty previously disclosed has now been resolved following the relevant court proceedings.

28. RELATED PARTY TRANSACTIONS

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

Entities received intragroup management income as follows: -

- Tir Tai Limited £2,218,754 (2025: £2,020,031).
- Penarian Housing Finance PLC £7,204,159 (2025: £7,204,729).

At the year ended 31 March 2026 had the following intragroup balances outstanding: -

- Tir Tai Limited a creditor balance of £6,147,055 (2025: creditor balance of £3,741,746).
- PenArian Housing Finance PLC a creditor balance of £226,130,893 (2025: creditor balance of £226,101,508).

In 2023 ClwydAlyn formed a Joint Venture with Cartrefi Conwy, Onnen. Onnen's profit for the 2025/26 financial year is £125,456, of which 50% has been included within the ClwydAlyn group accounts.

In 2019 ClwydAlyn created a company, Well Fed, with Flintshire County Council and CanCook. Although this is not a formal partnership, ClwydAlyn appoints two of the six board members to the WellFed Board and provides grant funding, which in 2025/26 was £150,000.

ClwydAlyn awarded WellFed a contract to supply meals to its extra care homes and to tenants in distress. During the year ClwydAlyn spent £731k with WellFed.

29. MOVEMENT IN NET DEBT

	At 31 March 2025 £'000	Cash Flows £'000	At 31 March 2026 £'000
Cash and bank balances	15,125	**2,552**	**17,677**
Bank overdrafts	-		
	15,125		
Housing loans	(270,854)	**(25,716)**	**(296,570)**
Current assets investment	65	**0**	**65**
	(255,664)	**(23,164)**	**(278,828)**

ClwydAlyn

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