

Financial Statements 2024/25

# Delivering our bold and ambitious plans for growth

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Cymoedd i'r Arfordir  
Valleys to Coast

O Llanw

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### Principle Activities

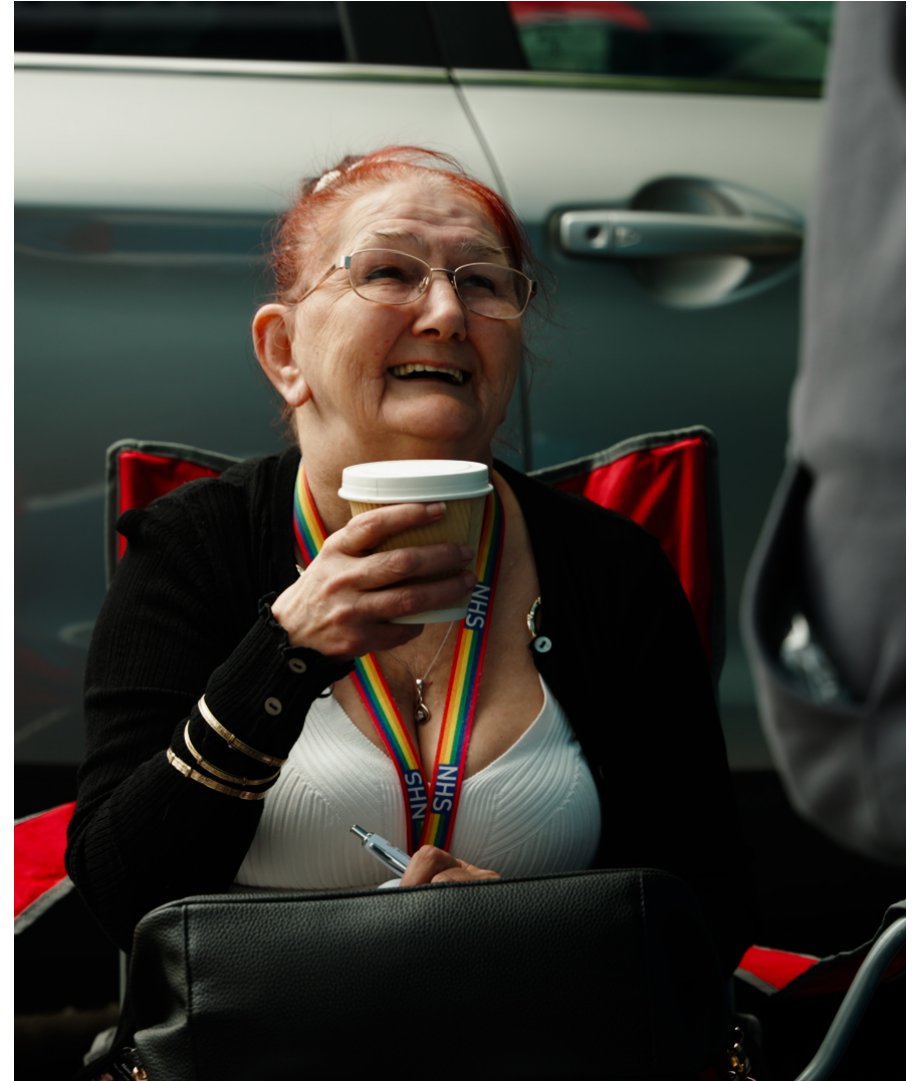
These Financial Statements include Valleys to Coast Housing Ltd and Llanw Property Services Ltd, referred to as the Group.

Valleys to Coast Housing Limited, is a not-for-profit organisation, operating with charitable rules under the Co-operative and Community Benefit Societies Act 2014, referred to as the Association. It is registered as a Registered Society and governed by a remunerated Board.

Llanw Property Services Ltd is a private company, limited by shares, registered in England and Wales. The principal activity of the company is that of repairs and maintenance services.

Today, the Group provides management, maintenance and enhancement services to 6,154 homes of different types, including general needs housing (5,909), intermediate rentals (46) and supported housing (199). The Group also has 12 homes that people have bought at a lower cost known as our low-cost home ownership properties.

The Group also provides management services for 641 leasehold properties and 89 freehold properties. We also have 816 garages, 49 commercial buildings which help support communities and our firm commitment to placemaking.





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# About Us

## Our Purpose, Vision and Values



### Our Purpose

Providing homes and places where people feel safe and happy.



### Our Vision

Helping build a better Bridgend and Wales.



### Our Values

**Value People:** We see the potential in people, those we work with and those we are here to serve.

**Think Differently:** We try new things to improve people's lives and careers.

**Courage to see things through:** We want the best for ourselves, our colleagues, and our customers, so we speak, work and act with conviction, strength and determination.





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## Hello From Our Group Chief Executive and Chair

### Foreword

Reaching my fifth year as Chief Executive Officer is an opportunity to both celebrate our achievements and look forward to the next chapter of our corporate plan, our bold and ambitious growth phase. We are excited to expand our services, elevate the customer experience and address housing needs across Bridgend and beyond.

In the past year, we successfully transitioned to a group structure and launched Llanw, our repairs subsidiary, carrying out over 26,000 repairs and achieving a 90% customer satisfaction rate on completion. We have built 71 new homes for families and individuals, let our first properties outside of the borough, and improved our customer satisfaction in many key areas of our services.

This is, and always will be, our key driver. The satisfaction of our customers and colleagues – we want to be better. And so this year I've been pleased to lay out our bold and ambitious plans for growth in our new operating model.

Guided by five pillar strategies and a new leadership team, we will grow the services we offer and build enviable communities and places where our customers are safe, happy and feel they belong – raising the bar and thinking differently about how we deliver our purpose and vision to help build a better Bridgend and Wales.

Our dedicated colleagues make everything possible, demonstrating unwavering commitment daily, despite operating in a challenging environment, but always with our customers at the heart.

Within this report you'll see examples of how we have worked together with our communities to create positive change. However, we know we need to do more, and recognise the need to expand our reach and capacity to address the growing housing need and improve the quality of our homes.

The journey ahead will undoubtedly present new challenges, but our proven adaptability, proactive governance, and the unwavering dedication of our colleagues provide a strong foundation to face these challenges head-on. Our shared endeavour to involve customers and colleagues in our decision-making

will ensure continued progress towards a Wales where everyone has access to a safe and happy home.

Warm regards,



**Jo Oak**  
Group Chief Executive



**Amanda Davies**  
Chair of the Board



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# Our 21st Year in a Snapshot

## A Year at a Glance



**256 families** from  
Bridgend's housing  
list were housed.



**855 complaints**  
were resolved.



**44 new homes**  
were built (all to EPC A  
standard) and  
**38 Acquired.**



**£18.9 million**  
spent on building and  
purchasing homes and  
**£11.8m** investing in our  
current homes.



Welcomed **36** new  
colleagues to Valleys to  
Coast and **26** to Llanw.



**Over 26,000 repairs**  
were completed in  
our homes.



**98.8%** of our homes  
remain gas compliant.



**99.42%** of our homes  
remain electrically  
compliant.



**79.6%** of our  
homes have an  
EPC certificate.



Valleys to Coast had  
**1 apprentice** and Llanw  
had **6 apprentices.**



**£33,072** invested in our  
communities through  
community benefits.



**£150,000** from Local  
Places For Nature Capital  
fund Heritage Lottery for  
green infrastructure  
improvements in  
Blaencaerau.



**£213,000** from Heritage  
Lottery and Welsh  
Government for our  
Growth for Good  
project.



**£72,000** from  
Heritage Lottery and  
Welsh Government for  
two Tiny Forests at  
Marlas and Cefn Glas.



**15 Valleys to Coast**  
colleagues and **2 Llanw**  
colleagues progressed  
to a new role.



**£8,000** from Levelling Up  
Funding BCBC to supply  
and fit new fencing for  
Wildmill Community Centre  
and repaint the underpass  
murals at Wildmill.



**550,000 sqm** of green  
spaces have been  
maintained.



Secured **£500,000** worth  
of fully funded training  
for colleagues and spent  
**£239,984** on colleague  
development.



**24.37% of Valleys to  
Coast** and **18.75%  
Llanw** colleagues  
live locally (with a  
CF31 postcode).



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## Our 21st Year in a Snapshot

### What Our Customers Are Saying

"Best work man I've had at the house. Did the job straight away, very kind and polite and also raised another job that needs fixing in my home. Such a helpful guy."

"Super helpful - got the job done, and fixed another small job for me whilst he was here!"

"I just want to thank you Annabell for the professional yet approachable way you helped me very recently."

"Charlena has been sympathetic and supportive. I was impressed by her professionalism. I cannot speak highly enough of what she has done and how she has helped me. Thank you Charlena."

"Very helpful, understanding polite and efficient member of staff - not a spot of dirt left behind, he was really good at identifying the issue and fixing it on first visit 5 stars thank you"

"Very nice workman. Very efficient, did a splendid job. Am very happy with the outcome."



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## Our 21st Year in More Detail – Safe and Happy Customers

### Safe and Happy Customers

In April 2024, we launched Llanw, a property repairs and maintenance company, after customers told us our repairs service wasn't delivering. By setting up a wholly-owned subsidiary, our goal was simple, to provide a more responsive repair service to keep our customers safe and happy.

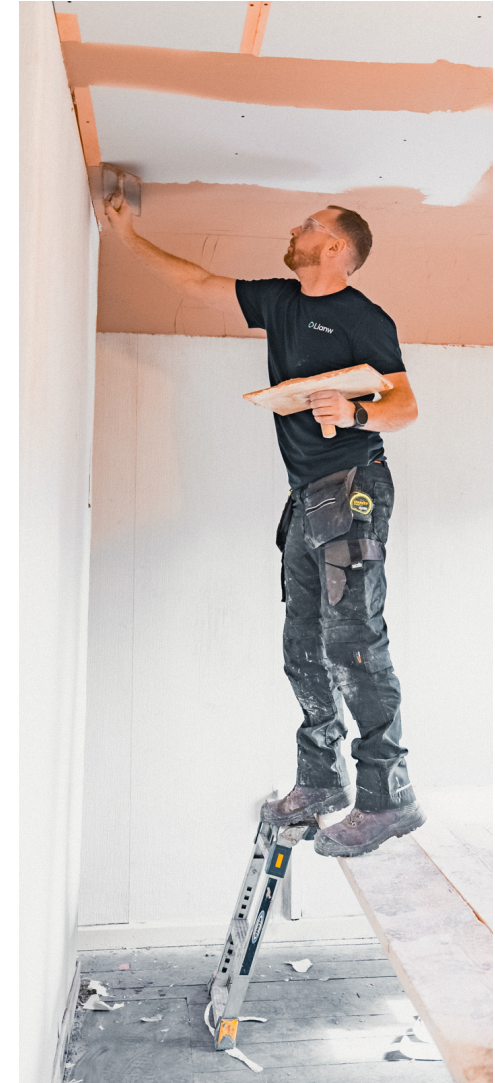


#### So, how are we doing?

- We've extended weekly working hours from 37 to 40 to complete more jobs and accommodate customers' availability.
- We've introduced "Feedback Fridays", where we ask customers who have expressed dissatisfaction to tell us how we can improve.
- We've created a dedicated Repairs Hub within our Customer Services Team, offering specialist and speedy service on the phone.
- We offer flexible repair appointments, including weekend slots.

#### The impact on our customers:

- We carried out 26,000 repairs in our first year of operation, 92.5% of these were completed on the first visit
- 90% of customers are satisfied with the repairs we've completed so far, telling us that we're doing better.
- Customer complaints have reduced from 174 to 104.
- Call handling time was reduced by over two minutes, a testament to our team's growth in knowledge and confidence.
- It's been a successful first year and we're working hard to continue on this trajectory.







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# Our 21st Year in More Detail – Safe and Happy Customers

## A repairs service that works for everyone

We really care about making sure our customers feel comfortable and are accommodated when we visit them in their homes. We know that everyone's lived experience is unique, and we want to offer a service that truly considers what each person needs from us.

With this in mind, we invited customers to sessions where they've shared moving stories about their personal lives and experiences. Some were hard to hear, but we know that listening to people will help us improve our customer interactions.



Here are just some of the things the customers told us we could do to improve:

**"Be more prepared when visiting the home of someone with a disability."**

**"Talk me through the repair as I can't see the progress due to my vision."**

**"Don't leave any loose cables around as I'm visually impaired and may trip."**

**"Talk to us before the work starts, so I know when to expect you."**

**"Be polite and bring a personal touch."**

We've also spent the year asking customers for their updated information so that we can be prepared for each customer visit. We launched an EDI (Equity, Diversity and Inclusion) door-knocking initiative to ask as many customers as possible about their individual needs. Gathering this kind of information and feedback regularly will help us deliver a more personalised service.



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# Our 21st Year in More Detail – Safe and Happy Customers

## Repairs Roadshow



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This year, we asked customers what they wanted us to communicate more about and the answer was loud and clear – repairs.

To give customers an opportunity to talk to our team in person about their repairs, we launched our first Repairs Roadshow.

We travelled to Maesteg, Cornelly, Bettws and Cefn Glas to support as many customers as possible. An estimated 100 customers attended altogether and we supported them to report or receive an update on a repair.

Colleagues from the rent, home safety and new development teams were also on-hand to engage with customers and discuss their queries.

Increasing our presence in the community through events helps customers to feel confident approaching

us, and we received some encouraging feedback following the sessions:

“They made more sense about my repairs over there today—fair play to them.”

“Amazing, your trades are always wonderful.”

Here are some more words that attendees used to describe the event:

“Helpful”  
“Hopeful”  
“Interesting”  
“Busy”  
“Eventful”

## What customers say about our services

The STAR survey is carried out by all registered social landlords (RSLs) in Wales to understand how customers feel about their services.

We're grateful to the nearly 700 customers who shared their opinions with us and are proud to see satisfaction scores rise in eight areas. However, there is always room for improvement, and customers' feedback has shown us where we need to focus our efforts. Compared

to our 2022 results, customers told us they are more satisfied about:

- How we manage the services we provide – 58% satisfied (up by 6%).
- Their neighbourhood as a place to live – 82% satisfied (up by 6%).
- Feeling safe and secure in their home – 80% (up by 5%).
- Opportunities to support our decision-making – 59% (up by 5%).
- Our approach to tackling anti-social behaviour – 59% satisfied (up by 3%).
- Their trust in us as a landlord – 65% satisfied (up by 2%).
- Service charges as value for money – 63% satisfied (up by 1%).
- Rent as value for money – 76% (up by 1%).

## Areas where we can do better:

- Our repairs service overall – 59% satisfied (down by 5%).
- The quality of our homes – 69% satisfied (down by 4%).
- Our services overall – 68% satisfied (down by 1%).
- How we listen and act on what people say – 52% satisfied (down by 1%).



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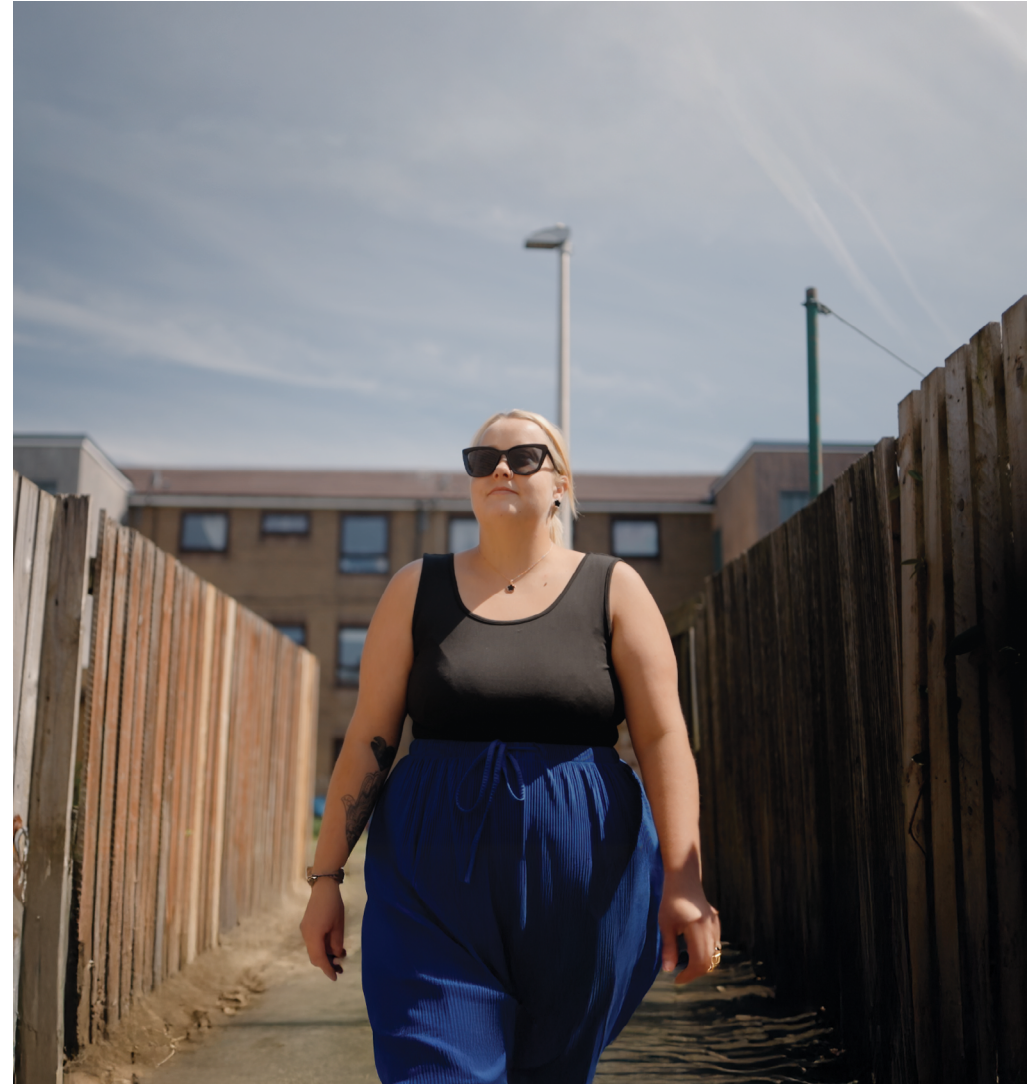
# Our 21st Year in More Detail – Safe and Happy Customers

We're taking these insights seriously and have launched the following initiatives to address the feedback head on:

- 'Tell Us Tuesdays' – our Customer Service team are making proactive calls to customers who have told us they're happy to be contacted to understand more about what we're doing well, and where we need to improve.
- Led by our new Customer Excellence Board, three sub-groups have been formed to delve deeper into the areas where our satisfaction has dropped, looking at the key drivers for dissatisfaction and how we can do better.
- Through our new Customer Voice Commitment and 'I'm In!' Campaign, we'll be providing a wide range of opportunities for customers to give us more insight, allowing us to hear and learn from their experiences, and work together to make our services better.



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# Our 21st Year in More Detail – Safe and Happy Homes

## Safe and Happy Homes

Everyone deserves a safe and secure home, but in today's challenging housing landscape, the need for decent, affordable homes is growing.

We remain committed to delivering affordable, quality homes that provide the foundation for a happy life. Here are some of our recent developments that we're particularly proud of:

Heol Y Groes, Pencoed: **24 homes** handed over to new customers.

The Malthouse, Pencoed: **6 homes** handed over to new customers.

**Bettws Social Club:** Commenced July 2024 which will deliver **20 homes for future customers.**

### Branching out of the borough

The properties are situated in Michael's Grove and Morgan's Walk, forming part of a large development in Llanharan with close links to the city centre and the Welsh countryside.

Jayne Bryant, Cabinet Secretary for Housing and Local Government visited

the new development to see firsthand how innovative funding is helping us provide affordable housing.

Jayne commented:

"The homes here in Michaels Grove exemplify the real power of this type of funding to deliver beautiful homes that are affordable to run and that enrich our communities."



### Investment of £30.2 million into our homes

Over the past year, we invested £18.9 million to facilitate the development of new, affordable, and sustainable homes in Bridgend. We also invested £11.3 million to improve our housing stock, ensuring our homes are safe, warm, and comfortable.

Key improvements include installing 155 new roofs, completing 57 electrical projects, and fitting 50 new kitchens & 17 new bathrooms. We also replaced 132 FD30S Fire Doors and installed 94 new boilers to keep homes warm.

It's been rewarding to receive positive feedback after carrying out these sorts of repairs, including a recent comment from a customer whose door we fixed:

"I was notified prior to his arrival which is very important for me. He did a thorough check of my door, located the issues and fixed them. Very professional and I'm very happy with the standard of the work carried out all in a very short time. Thank you."

We're committed to meeting our customers' diverse needs and enhancing their comfort and improving daily living.

Our investment of £737,003 in adaptations has supported people with additional needs, encompassing 317 jobs in total. This includes larger works such as wet room or shower adaptations, ramps, stairlifts, external





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galvanised rails, hardstandings, kitchen adaptations, and wash/dry toilets with remaining adaptations covering a wide range of modifications, from grab rails, shower seats, and stair rails to widening doors and installing fencing.

Customer quote:

“Since the handrail has been put in its been brilliant, and the stairlift is wonderful. I’ve got my bed back! I can’t believe how comfortable everything is.”





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# Our 21st Year in More Detail – Safe and Happy Places

## Safe and Happy Places

Safe and accessible outdoor spaces are fundamental to creating thriving communities and improving the wellbeing of our customers.

In the past year, we've worked closely with the community to transform outdoor spaces, clear up our streets and inspire the next generation of placemakers. Here are some of the exciting projects we've brought to life.

### Growth for Good

Growth for Good is a long-term project, funded by the Welsh Government, that focuses on food growing, carbon capture and community engagement.

In the first phase of the project, we worked alongside residents to transform underused community spaces in an impactful way.

Alongside customers, residents and two primary schools, we planted two tiny forests – one in Heol-y-Frenhines and the other near Yr Ynys on the Marlas Estate. The 2,400 trees we planted will help to

boost biodiversity, improve air quality, and bring mental health benefits to local people.



We also created three community gardens in Heol-y-Frenhines, Wildmill and Blaencaerau to give residents a space to grow healthy food together and connect with their neighbours.



We've had encouraging feedback so far, with one local resident taking to social media recently to write:

**"One little idea has blossomed into two wonderful projects. I can't wait to see the forests and gardens growing. None of this would've been possible without Valleys to Coast and the lovely staff we've been talking to about it, and who have been doing work behind the scenes."**

Another resident of Cefn Glas, who uses a mobility scooter, told us how the raised beds are accessible and **"just what she needs"** to enable her to continue her hobby of gardening.



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# Our 21st Year in More Detail – Safe and Happy Places

## Becoming a keep Wales Tidy litter picking hub

In March 2025, we became an official Keep Wales Tidy litter picking hub, meaning we can lend residents the necessary equipment to carry out a safe clean-up in their area, free of charge. We led five community litter picks in Brackla, Sarn, Wildmill, Bettws and Marlas during our launch week.

The impact of the litter picks surpassed the 60 bags of rubbish we collected; these events allow us to bring people together and foster community spirit. One customer, Andrew, who lives with depression and anxiety, was looking for a way to re-engage with the community and work towards returning to employment.

He said:

**"I thought the project was very useful for the local community, bringing residents closer together. I wanted to get involved to help with my confidence and anxiety, and to start meeting people again. The last three days have been overwhelming for me with meeting new people, but it has been a success."**



## Introducing Walkabout Wednesdays

Walkabout Wednesdays are all about getting our customers out of their homes, meeting us in their communities and telling us about what they love about where they live and what we could improve on.

We held our first Walkabout Wednesday in Wildmill – four dedicated groups walked the estate, noting issues and ideas for improvements. This on-the-ground feedback will be invaluable in helping us plan for future improvements with a dedicated community action plan.







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# Our 21st Year in More Detail – Safe and Happy Colleagues

## Safe and Happy Colleagues

We're fostering a happy and supportive culture by offering flexible work arrangements, investing in colleague development through training, and celebrating their contributions with award nominations and events.

### New ways of working

We're committed to creating a modern and inclusive workplace through offering flexible working patterns and encouraging work-life balance.

Following a successful trial period of a "nine-day fortnight" for office-based colleagues, we're pleased to be continuing this arrangement on a more permanent basis for those who wish to participate. We're also trialling a nine-day fortnight for our trades colleagues this year.

These innovative ways of working allow colleagues to spend more time with their loved ones or participating in hobbies, while also supporting our strategic objective of becoming an employer of choice in and around Bridgend.

### Championing equity and inclusion

We're proud to be making significant strides towards advancing equity, diversity, and inclusion (EDI) within our organisation. Our Project Support Officer has established a supportive Menopause and Perimenopause Café that has reduced feelings of isolation among colleagues and facilitated a well-received British Sign Language (BSL) and Deaf Awareness programme for over 85 colleagues.



Click to view

Through our EDI Forum, we're having meaningful conversations about equity and diversity and we're championing the Welsh language in the office.

We've also made an increasing effort to thoughtfully integrate national awareness days into our internal communications, which is having a positive impact on our colleagues.

One colleague told us recently:

**"As a Muslim, I truly appreciate the effort to acknowledge and support Ramadan and Eid. It means a lot to see our company fostering inclusivity and understanding."**

### Double shortlist at the Welsh Housing Awards – and a win for Llanw!

We were proud that our dedication was recognised with two shortlisted nominations at the Welsh Housing Awards 2024.

Our Community Income Team was shortlisted for the Housing Team of the Year award, recognising their proactive approach in anticipating challenges our customers may face, like the impact of the removal of the Winter Fuel Payment on elderly customers. In response, they developed a project to help those over the state pension age manage their rent during the colder months.

Additionally, Community Housing Partner Louisa Thomas was shortlisted for the Young Achiever in Housing Award. When floods affected homes in Bridgend last year, she took charge, personally visiting and speaking with



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all 12 customers impacted by the floods and coordinated alternative accommodation for those who needed it.

As one of our customers, Jacqueline said:

**“Louisa has an exceptionally good attitude to her work and to us customers. She listens to our concerns and much more importantly, takes action.”**

Llanw wins campaign of the year award



From its creation, Llanw was designed not just to provide repair and maintenance services but to transform how we support over 6,000 homes across Bridgend. Llanw's name, meaning “tidal” in Welsh, represents its responsiveness and ability to adapt to customers' evolving needs.

From customer discovery workshops to colleague brainstorming sessions, every step of Llanw's development was shaped by those it serves.

Strong partnerships also played a pivotal role in Llanw's journey. By working closely with Cardo Group, Alliance Homes, and Bright Collie, Llanw built a strong, professional foundation.

## Colleague celebration events

Last year, we organised our inaugural summer celebration event to give colleagues the chance to step away from their laptops and celebrate their recent achievements.

With prizes up for grabs, a guest speaker and a game of bingo, the event was a success.

One colleague told us that:

**“Having an opportunity to catch up with colleagues from across the business and to meet colleagues that I haven't worked with yet was great. The venue was excellent and the relaxed approach was greatly appreciated.”**



[Click to view](#)

## Investing in our People

We believe that investing in our people is key to delivering high quality services and making staff feel valued, so we've made a significant commitment to staff development in the past year.



Our training opportunities covered a wide range of competencies that will help colleagues in their personal and professional life from Conflict and Complaints Management to [dementia awareness](#)



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Many of our colleagues have undertaken qualifications in Housing Level 2, Coaching and Mentoring Level 3, and Project Management. We've also invested in leadership capability through the Management and Leadership programme with the University of Wales Trinity Saint David, as well as a Level 5 Leadership and Management qualification.

The learning we've facilitated has had a positive impact on our colleagues' confidence and has enabled some of them to progress within the business.

One colleague whose training helped him move from an administrative role to a Development Officer position told us:

**“qualifications in project management have helped me in my daily work and given me the confidence to progress across teams. It's made a real difference to my job and pay.”**

To ensure we stay up-to-date with sector best practices, colleagues from across the organisation attended a wide range of regional and national conferences including the PEPA Conference, Governance Wales 2024, CHC's One Big Conference, the Housing Community Summit 2024, and the National Tenant Communications Conference, among many others.

Prioritising learning and development ensures our staff are well-equipped to meet the needs of our customers and communities, now and in the future.

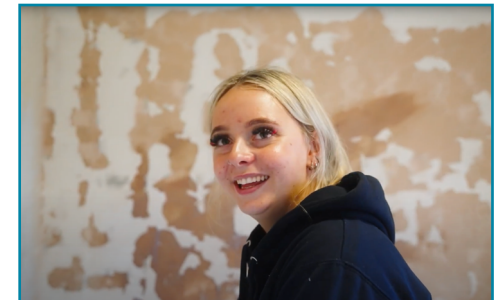
## Llanw Academy

We were also proud to launch the Llanw Academy, our first apprentice academy, last September, with the aim of recruiting four to six apprentices each year. This scheme offers local young people the opportunity to complete repair and maintenance jobs alongside experienced tradespeople, while working towards a qualification and earning a wage in line with the national apprenticeship rate. [Ryan](#) and [Kaitlyn](#) from the first cohort shared what they've learned so far, and why they love being part of the Llanw team.

We've also introduced our first graduate scheme, offering two positions within the Housing Directorate and one in Corporate Services, providing structured pathways for university leavers.



Click to view



Click to view



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# Our 21st Year in More Detail – Safe and Happy Future

## Safe and Happy Future

Moving forward, our priority remains providing safe, warm, and dry homes for our residents. We plan to continue investing significantly in our existing housing stock, aiming to ensure they meet the highest possible standards for our customers.

Moving forward, our priority remains providing safe, warm, and dry homes for our residents. We plan to continue investing significantly in our existing housing stock, aiming to ensure they meet the highest possible standards for our customers.

Our commitment has always gone beyond basic maintenance. We are already actively working towards a more sustainable future by promoting decarbonisation initiatives across our properties, exploring and implementing energy-efficient solutions to reduce our carbon footprint, helping residents lower their energy costs, and enhancing the quality of our homes.

Additionally, building on the progress we've already made, we are dedicated to achieving the new Welsh Housing Quality Standard (WHQS) 2023 standards. We will begin to plan this, understanding what is needed and achievable, to ensure our homes are modern, well-maintained, and suitable for contemporary living for the future, while also providing good value.

Our investment strategy isn't just focused on existing homes; we are also committed to building new, high-quality homes to meet the growing housing needs of our communities, a key part of our ongoing plans. These new developments will continue to be designed and constructed in line with our careful asset and sustainability standards, ensuring they are not only well-built but also environmentally conscious.

Beyond the individual homes, we appreciate the importance of the wider living environment. Therefore, we will continue our efforts to improve our communal areas and open spaces to create more pleasant and practical environments for all our customers. This includes enhancing shared facilities, green spaces, and recreational areas, fostering the sense of community and well-being that we've always aimed for.

Through these comprehensive and ongoing investments, we aim to not only provide excellent homes but also to help build thriving, sustainable

communities for years to come for the customers of Valleys to Coast.

We're committed to sustainability because we believe it's crucial for our community and the planet. Our new Assets and Sustainability Strategy 2025-2030 charts how we are striving to become carbon neutral by 2030 and make Bridgend and Wales better places to live.

Here is what we are doing to support these sustainability commitments:

### Energy Efficiency and Carbon Reduction

- We participate in retrofitting existing homes to improve energy efficiency. This includes installing better insulation, energy-efficient windows, and upgrading heating systems.
- We integrate renewable energy technologies like solar panels into our homes to reduce reliance on fossil fuels and lower carbon emissions.
- We are identifying and utilising our green and grey spaces in new ways to support the environment by accessing funding for community food growing spaces, orchard planting, wild flower meadows, tiny forests and carbon capture.





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## Sustainable New Developments

- We use modern methods of construction (MMC) in our new housing developments, which not only speeds up construction but also reduces waste and improves energy efficiency.
- All our new homes meet or exceed the energy efficiency standards set by the Welsh Government, ensuring long-term sustainability.

## Supporting Community Initiatives

- We support local community initiatives aimed at promoting sustainability; we have secured £495,000 in grant funding to improve the green infrastructure of our estates and have introduced herb gardens, wildflower gardens, street tree planting, community food growing spaces and have planted over 1800 trees over three innovative tiny forests.
- We educate our customers about energy efficiency and sustainable living practices, helping to reduce energy consumption and improve environmental awareness.

## Affordable and Quality Housing

- As part of our commitment to sustainability, we continuously review our specifications for products and materials to ensure we fully consider their environmental impact and life cycle.

- We are dedicated to providing affordable housing options that are also sustainable, aligning with the Welsh Government's goals for social and affordable housing.
- We ensure that our homes comply with WHQS 23, which includes high standards for energy efficiency, safety, and comfort.

## Innovation and Technology

- We incorporate smart home technologies to enhance energy efficiency and provide residents with greater control over their energy usage.
- We pilot projects aimed at testing and implementing innovative sustainability solutions in housing.

## Local Development and Planning

- We work closely with Bridgend County Borough Council and other local authorities to align housing developments with local sustainability goals and their Local Development Plan (LDP).
  - We support initiatives like the district heat network in Bridgend, which provides low-carbon heating solutions to homes.
- ### Examples of Our Initiatives
- Bridgend Energy Pathfinder Project: Our involvement in this project aims to make homes more energy-efficient

through retrofitting and the use of renewable energy sources.

- Decarbonisation Projects: We have undertaken projects specifically aimed at reducing carbon emissions from our housing stock, contributing to Wales' goal of net-zero carbon by 2050. Examples include air source heat pumps, external wall installations and solar panels.

## Our Office Commitments

We have implemented various sustainability measures within our offices to support our broader environmental commitments. These actions include upgrading to energy-efficient LED lighting and enhancing insulation to improve energy efficiency. We have introduced comprehensive recycling programs, promoted a paperless office environment, and used eco-friendly office supplies. We encourage remote working and the use of public transport to reduce commuting emissions.

Our efforts align with broader goals of reducing carbon emissions, improving energy efficiency, and providing sustainable, affordable housing.





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### Our Open Spaces Commitments

We have undertaken an ecological assessment of our open spaces with an aim to identify how our green spaces can be enhanced for ecosystem service generation through nature-based solutions.

The assessment highlighted the importance of native woodlands, grasslands, and wetlands in our ownership and discusses their role in carbon sequestration and storage, strengthening ecological networks for biodiversity, and providing other ecosystem services like air quality improvement, noise reduction, recreation, and natural flood management.

As a large landowner, the carbon storage on our land is estimated at 13,688.24 tC in soil and vegetation, with potential to increase by about 48% to 20,277.09 tC if all identified opportunities are taken. These assessments are influencing how we maximise our opportunities for carbon capture on our land.





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## Our Governance

### Corporate Governance

The Board is committed to upholding high standards of governance and regularly reviews its own effectiveness, in line with the Community Housing Cymru (CHC) Code of Governance, which we have adopted.

As part of our planned cycle of governance self-evaluation, an independent review was commissioned during the year and undertaken by Campbell Tickell. The purpose of the review was to assess the effectiveness of our governance arrangements and ensure they remain fit for purpose as the organisation prepares to deliver the next phase of its Corporate Strategy.

The review confirmed that our governance framework is appropriate and provides a sound basis for effective leadership, oversight, and regulatory compliance. However, it also identified a number of constructive recommendations designed to support the ongoing maturing of our governance framework. These include enhancements to Board and committee structures,

succession planning, assurance and risk oversight, and Board development.

The Board accepted the recommendations of the report and, in line with our commitment to continuous improvement, agreed that these will be implemented incrementally to ensure our governance arrangements continue to support strategic delivery and organisational growth.

In line with requirements, as set out in the Regulatory Framework, the Board prepared and published its Annual Statement of Compliance and Continuous Improvement Plan in May 2024. Progress updates regarding the implementation of the respective actions set out in the continuous improvement plan were provided to the Regulator on a quarterly basis. The Group has maintained the highest possible regulatory judgement status of 'standard' for both financial viability and 'governance and tenant services' since it was issued in December 2022. The Board reports below on how it seeks to continue to achieve effective housing association governance;







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## Our Board

### The Board

The Board comprises members who are collectively responsible for managing the affairs of the Group. The Board meets at least four times per year to discuss strategic direction, undertake focus sessions on specific aspects of the business and ensure the executive team, and by extension the rest of the business, is held to account for their outcomes.

The Board is responsible for the Group's strategy and a number of critical policies. Day-to-day management and implementation of that framework is delegated to the Group Chief Executive and other members of the Executive Team who meet regularly and also attend Board meetings.





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# Our Board

## Meet the Team

Board Members who held office throughout the year

### Independent Board Members



**Amanda Davies**  
Chair



**Joanne Smith**  
Vice Chair



**Derek Hobbs**



**Richard Jenkins**



**Caroline Jones**



**Tara King**



**Sharon Lee**



**Gill Lewis**  
(Appointed 11/07/2024)



**Joy Ogeh-Hutfield**



**Andrew Wallbridge**



**Mark Woloshak**

### The Executive Team



**Joanne Oak**  
Group Chief  
Executive



**Emma Howells**  
Executive Director of  
Housing, Communities  
and Customers



**Huw Lewis**  
Executive Director  
of Finance and  
Corporate Services



**James Griffiths**  
Managing Director  
of Development  
and Regeneration  
(appointed 06/01/2025)



**Paul Price**  
Managing Director  
of Llanw

**Independent Board Members:** Mark Doubler (resigned 19/06/2024), Sophie Taylor (resigned 24/06/2024)

**The Executive Team:** Darrin Davies – Executive Director of Development, Assets and Sustainability (resigned on 22/07/2024)



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# Our Board

## Committees

The Board is supported by a committee structure to support key areas and to advise on detailed areas of the business. The committees in place throughout the year were the Audit and Risk Committee, People and Remuneration Committee, and Development and Assets Committee.

The Audit and Risk Committee comprises a minimum of four members, at least three of which must be non-executive Board members. The committee meets up to four times a year. It considers the appointment of internal and external auditors, the scope of their work and their reports, as well as monitoring risk management.

The People and Remuneration Committee comprises a minimum of four members, at least two of which must be non-executive Board members. The committee meets at least twice a year. It reviews the remuneration of all colleagues under the Group's reward policy.

The Development and Assets Committee comprises a minimum of four members, at least two of which must be non-executive Board members and up to two additional independent members.

The Board and its committees obtain external specialist advice when needed. The Group's business plans, and Corporate plan, establish the overall objectives and strategy with respect to risk management.

### Risk appetite

The types and levels of risk that are considered acceptable. The Group's risk appetite is agreed upon for each strategic risk by the Audit and Risk Committee. Where a strategic risk is found to not be within the Group's risk appetite, action is taken to put in place further controls, or assurances are sought that the identified controls are operating effectively.

### Risk response

The action that will be taken to manage, monitor or mitigate the risk.

### Policy setting:

Where risk levels and responses can be determined, internal policies are established.

### Assurance

How the Board can be comfortable that the risks are being monitored and managed and any issues arising are being tackled.

Within the risk management policy, it is acknowledged that the Board retains overall responsibility for risk. Day-to-day management of risks is formally assigned to the Executive Team.







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### The Board's objective in doing so is to:

- Encourage a culture of risk awareness;
- Ensure risks remain well controlled;
- Ensure accountability and responsibilities are clear;
- Create a structure for the provision of reporting on the management of risk to the Executive Team and the Board.

### Identification of risk is conducted in a structured way to ensure that:

- Board Members and colleagues undertaking the review are aware of the Group's strategic objectives as set out in the Corporate Plan;
- All high-priority strategic and operational risks are identified;
- The evaluation of risk is set in the overall context;
- Risks can be prioritised realistically to ensure resources are focused on critical areas.

### The Board's strategic risk analysis has identified several challenges over the next five years with the most significant including:

- Governance;
- Regulation;

- Treasury and cash management;
- Landlord health and safety;
- Inadequate investment into our existing homes;
- People and culture;
- Data integrity and protection;
- Decarbonisation;
- Establishment of a new wholly owned subsidiary which will deliver the responsive repairs service for Valleys to Coast;
- Unforeseen major incidents or events, and;
- IT resilience and cyber security.





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## Our Board

### Performance for the Year

The Board reports a Group surplus for the year before actuarial gains of £901k as shown in the statement of Comprehensive income, and net assets of £50.7m as reported in the statement of financial position.

During the year the Group invested £11.8m (2024: £7.89million) on planned repairs and improvement of housing properties. Details of changes to the Group's fixed assets are shown in notes 10, 11 and 12 to the financial statements.

During the 2024/25 financial year, we brought 82 new properties into management. Going forward we currently have 96 units on-site and 337 units in the pipeline which we hope to develop over the coming years.





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# Our Board

## Responsibilities

The Board is responsible for preparing the report and financial statements following applicable laws and regulations.

Registered Social Landlord (RSL) legislation requires the Board to prepare financial statements for each financial year. Under that law, the Executive Team has elected to prepare the financial statements following the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS102). Under the RSL legislation, the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the affairs and surplus or deficit of the Group for that period. In preparing these financial statements, the Board is required to;

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent Practice (SORP) Accounting by Registered Social Housing Providers (SORP 2018), have been followed, subject to any material departures disclosed and explained in the financial statements;

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

The Board is responsible for maintaining an adequate system of internal control and keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statement complies with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. It is also responsible for the safeguarding of assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Board members are aware:

There is no relevant audit information of which the Group's auditor is unaware;

The Board members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Annual General Meeting will be held on 03 September 2025.

This statement was approved by the Board on 4th August 2025 and signed on behalf of the Board by:



**Amanda Davies**  
Chair of the Board





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## Liquidity

Liquidity continues to be strong, and we don't expect to break any loan covenants in the next five years. These are monitored in line with the Company's treasury management policy, incorporating 'Golden Rules' set by the Board.

The Weighted Average Cost of Capital (WACC) on 31 March 2025 was 3.33% (our overall borrowing costs), which helps us keep enough money available for our operations. Subsequent to the 31 March 2025, we are extending our Revolving Credit Facility from £15m to £45m to fund our existing development plans. As we implement our investment strategy and our long term growth ambition increases, by developing more new homes, we will seek to add long-term structured funding to finance this increase.

During the financial year 2024/25 we secured additional long term funding from the Welsh Government of £5m at a rate of 3% over 30 years. The additional funding will support the development of an additional 27 units of accommodation and also contribute to environmental improvement works over the next 5 years.

As of the balance sheet date, our Executive Team believes that the steps we've taken are enough to protect the Group from any big risks in the long term.

## Key Accounting Policies

The principal accounting policies are set out in Note 1 of these financial statements. In preparing the financial statements on a concern basis, the Board and management team looked at the budgets, business plans, money situation, and financial predictions for the Group.

Based on this review, the Board considers it appropriate to draw up the financial statements on a going-concern basis. Further analysis on this is provided in Note 1 to the financial statement on [Page 48](#)



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## Remuneration

### Policy

The People and Remuneration Committee is responsible for annually reviewing the Reward Policy for all colleagues. It considers any salary uplifts for colleagues and makes recommendations to the Board.

The People and Remuneration Committee pays close attention to remuneration levels in the sector in determining the remuneration packages of the Executive Team and other senior colleagues. Basic salaries are set having regard to issues of affordability, the external market, CPI inflation and pay levels for comparable positions.

### Service contracts

The Executive Team are appointed on permanent contracts with six months of notice.

### Pensions

All members of the Executive Team were ordinary members of a defined contribution SHPS pension scheme as of 31 March 2025. The Executive Team participates in the scheme on the same terms as all other eligible colleagues. The Group contributes to the schemes on behalf of its employees.

### Other benefits

The Operational Management Team are not entitled to other benefits such as the provision of a car allowance. Full details of the Executive Team's remuneration packages are included in **note 9** to these audited financial statements.



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## Value for Money

We recognise the importance of Value for Money (VFM) in all our activities, not just in terms of managing costs but also in achieving sustainable value for stakeholders and building balance sheet strength and financial robustness. We monitor VFM performance every month, and it forms an integral strand of our Corporate Strategy for 2021–2031.

### Our VFM goals are to:

- Improve our operating margin and achieve better operating efficiencies.
- Continuously develop new development and treasury strategies to improve our housing stock and support a fair share of the sector's ambition to build 20,000 new homes in Wales. Our ambition is to develop 1,133 new homes by 2035.
- Have sufficient resources available to adequately invest in our asset

management and technology improvement strategies.

### To do this we will:

- Procure effectively
- Project manage effectively
- Develop better management information, business data and customer insight
- Closely monitor future forecasts and financial plans.

### We will also consider:

- How we allocate resources across the business.
- The social return on our investment.
- Seeking a better understanding of business performance compared to our peers.
- How we meet the challenges and opportunities presented by welfare reform, the Affordable Housing Review and tenure reform.

We will engage in sector initiatives relating to VFM and transparency as they develop. Finally, a strong cultural focus on our customers and their needs, both internal and external, will also be an essential element to achieving VFM across the organisation.

## Our suppliers

Our suppliers are fundamental to the quality of the services we provide to our customers and in ensuring we get value for our money. Whilst we have a limited number of large national suppliers, our primary supply base is locally based SMEs.

We use Sell2Wales and eTenderWales to advertise and tender our requirements and regularly engage with local suppliers through meet-the-buyer and pre-market engagement events. Our tenders are targeted at the types of suppliers we want to reach, resulting in more effective processes and contract negotiations, and the best suppliers being appointed.

We regularly include community benefit questions and clauses as part of our tenders and contracts. We also engage directly with high-spend suppliers to establish what additional benefits they may be able to offer our communities.

We have engaged a local procurement company, 2Buy2, to review our materials procurement processes and further strengthen them from a sustainability and corporate social responsibility perspective. Feedback is also part of the process for all suppliers who respond to our tenders, and those at the end of their contracts.



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## Key performance indicators

As reported either to the Welsh Government or internally, are set out in the following table:

	2024/25 Actual	2024/25 Target	2023/24 Actual	2023/24 Actual
Arrears	2.02%	2.67%	2.63%	2.67%
Empty homes loss percentage (%)	1.59%	1.23%	1.78%	1.43%
Annual housing management cost per home	£2,218	£2,394	£1,945	£2,413
Annual total cost of maintenance per home (revenue)	£2,430	£2,255	£2,005	£1,691
Annual total cost of planned maintenance and improvements per home (capital)	£1,842	£1,513	£1,392	£1,499
Total maintenance and improvement costs per home (revenue and capital)	£4,272	£3,768	£3,303	£3,190



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## Arrears

The total value of current tenant arrears at the year-end (net of unpaid direct Housing Benefit) as a percentage of the annual rent debit – Arrears at 2.02% are lower than the target of 2.67%.

## Empty homes loss percentage

The cumulative value of void loss as a percentage of the annual rent debit – Losses from empty homes at 1.59% is higher than the target of 1.23%.

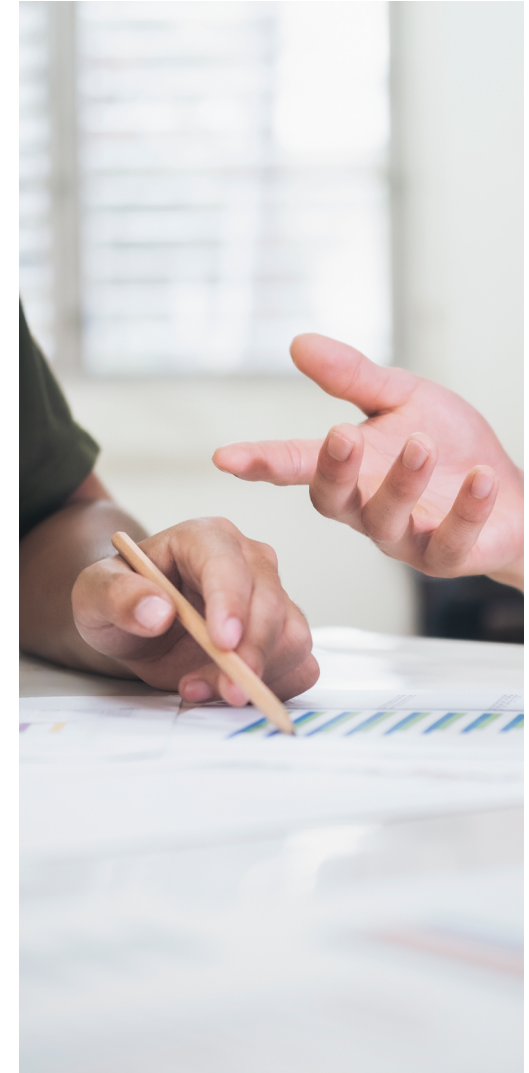
## Annual housing management cost per unit

The housing management cost per unit provides a measure of how efficient the Group is in terms of the management of the portfolio of tenanted properties. It includes all direct salary costs for housing management staff, together with costs such as insurance, tenant participation, costs of rent collection as well as a fair apportionment of overhead and office costs. It does not include estate costs which could be recovered through the charging of service costs. The actual cost per unit at £2,218 is broadly in line with the budget assumption for the year. The reason for the large change compared with previous years is due to establishment classification changes.

The total cost also includes the cost of administration and management of the maintenance functions of the Group.

## Annual total cost of maintenance per home (revenue and capital)

The total cost of maintenance per unit provides a measure of the level of investment required to maintain our stock. It includes all routine and cyclical maintenance and the cost of major repairs and improvements, charged to the Income and Expenditure Account (revenue) or charged to the Balance Sheet (capital). The total maintenance cost (revenue and capital) per unit at £5,733 is slightly higher than the budget assumption for the year and reflects our continued investment in our current homes along with the receipt of grant funding which has allowed for a higher level of expenditure.





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## Statement of Financial Position and Debt

The Company's financial instruments include cash, short-term investments, and borrowings. Regarding liquidity, as the improvement and the provision of housing is a long-term business: the Company's policy is to use medium and long-term loans to fund them. As of March 31 2025, the total loan facility was £96 million, consisting of:

- A £15 million variable rate revolving credit facility (RCF) from Lloyds Bank. We can borrow, repay, and borrow again until November 2026 (of which £3m was drawn at 31 March 2025). There's an option to extend it for two more years. This loan is linked to ESG (Environment, Social, Governance) goals, showing our commitment to making our organisation better through our financial choices.

- A £25 million fixed-rate Note Purchase Agreement with M&G Investments, which must be fully paid back by March 2045.

- A £10 million fixed-rate Note Purchase Agreement with M&G Investments, which must be fully paid back by March 2052

- A £1 million Interest-Free Loan from the Welsh Government, due to be repaid in March 2025.

- A £35 million fixed-rate bond issue (bLEND) through THFC, maturing in May 2054 and due to be repaid in March 2054.

- A £5m fixed rate development loan from Welsh Government, due to be repaid in March 2054.

- A £5m fixed rate development loan from Welsh Government, due to be repaid in March 2055.

In addition, an increase to our current Lloyds RCF facility of £30m (total RCF £45m) is in progress and is due to complete in early July 2025. This will support our current development ambition.



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## Treasury Management

Our Finance Team operates a treasury function, which handles tasks like managing cash, funding, investments, and financial risks. This includes risks related to interest rate changes and the creditworthiness of other parties. We see treasury management as overseeing cash flows, banking, and investments while controlling associated risks to achieve the best performance.

We measure the success of our treasury management by how well we identify, monitor, and control risks. Our focus is on understanding the risks and their implications.

We believe effective treasury management supports our business goals. We're committed to getting the best value from our treasury activities

while managing risks effectively. Our treasury function isn't meant to make a profit, and we don't engage in speculative transactions.

The Board reviews and approves our treasury policies annually. We may use derivative instruments to manage interest rate risks, but only if approved by the Welsh Government.

Our policy aims for a balanced mix of fixed and variable-rate borrowings. At 31 March 2025, 4% of our £84 million in drawn loan facilities were at a variable rate.

We don't have significant exposure to risks like price changes, credit issues, or cash flow problems from our trading activities. Whilst we don't trade financial instruments, we use interest rate hedging to fix rates for at least 70% of our expected loan needs over the next five years.





## Independent Auditor's Report

### Independent Auditor's Report on Corporate Governance

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

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

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

#### Opinion

With respect to the Board's statement on internal controls assurance on page 22, in our opinion the Board of Management has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work on the financial statements.

4<sup>th</sup> August 2025

#### Bevan Buckland LLP

Chartered Accountants & Statutory  
Auditors  
Ground Floor, Cardigan House,  
Castle Court,  
Swansea Enterprise Park  
Swansea  
SA7 9LA





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## Independent Auditor's Report

### Independent Auditor's Report

#### Opinion

We have audited the financial statements of Valleys to Coast Housing Limited and its subsidiary for the year ended 31 March 2025 which comprise the Group's Statements of Comprehensive Income, the Group's Statements of Financial Position, the Group's Statements of Changes in Reserves, the Statement of Cash Flows and related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and 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 and parent association's affairs as at 31 March 2025 and of the Group'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

Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

- the Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board has not disclosed in the financial statements any identified

material uncertainties that may test significant doubt about the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The Board is responsible for the other information. The other information comprises the information included in the strategic report and the report of the Board, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. 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.



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## 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 requires us to report to you if, in our opinion:

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

## Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on page 28, 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 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 to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

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

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

complying with the Revised Ethical Standard 2024 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

## Identifying and assessing potential risks related to irregularities

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

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the Group's policies and procedures relating to:
  - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and



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any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas;

- Purchasing in relation to the development and maintenance programmes, including any sales to connected individuals at below market value;
- The recognition of development and maintenance expenditure in the correct period;
- The rationale of any major fund flows during the period;
- The potential of rent fraud arising as a result of collusion between the asset and housing teams.

• obtaining an understanding of the legal and regulatory frameworks that the Group operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Group, The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

## Audit response to risks identified

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;

• enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

• reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and

• in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;

• assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and

• evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting

Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

## Use of our report

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

**Bevan Buckland LLP**  
Chartered Accountants & Statutory Auditors  
Ground Floor, Cardigan House,  
Castle Court,  
Swansea Enterprise Park  
Swansea  
SA7 9LA

4<sup>th</sup> August 2025



## Our Registered Office

### Our Registered Office

Tremains Business Park  
Tremains Road  
Bridgend  
CF31 1TZ

Welsh Government registration number: **L137**  
Company registration number is: **30205R**  
Company secretary: **Claire McDougall**

### Our External Auditors

**Bevan Buckland LLP**  
Cardigan House Castle Court  
Swansea Enterprise Park  
Llansamlet  
Swansea  
SA7 9LA

### Our Internal Auditors

**Barcud Shared Services**  
2 Alexandra Gate  
Ffordd Pengam  
Cardiff  
CF24 2SA

### Our Bankers

**Lloyds Banking Group**  
Commercial Banking  
St William House  
Tresilian Terrace  
Cardiff  
CF10 5BH

### Our Solicitors

**Capital Law**  
Tyndall Street  
Cardiff  
CF10 4AZ

**Blake Morgan LLP**  
One Central Square  
Cardiff  
CF10 1FS

**Hugh James**  
Hodge House  
114–116 St Mary Street  
Cardiff  
CF10 1DY

**Acuity Law LLP**  
3 Assembly Square  
Cardiff  
CF10 4PL

### Our Funders

**Lloyds Bank Plc**  
3rd Floor  
10 Gresham Street  
London  
EC2V 7AE

**M&G Investments**  
10 Fenchurch Street  
London  
EC3M 5AG

**bLEND**  
3rd Floor  
17 St. Swithin's Lane  
London  
EC4N 8AL



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**Call us:** 0300 123 2100

**Email us:** [TheHub@v2c.org.uk](mailto:TheHub@v2c.org.uk)

**Visit our website:** [valleystocoast.wales](http://valleystocoast.wales)

**Follow us on our socials:**



#### Supporting you with this document

If you want any information explained or translated, please let us know. If you find it easier for us to talk to you in your language, we can arrange for an interpreter to be present.



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## Statement of Comprehensive Income for the year ended 31 March 2025

		Group	Association	
	Note	2025 - £'000	2025 - £'000	2024 - £'000
<b>Turnover</b>	3a	41,334	41,671	38,170
Operating Costs	3a	(39,024)	(39,398)	(35,050)
Surplus on Disposal of Property, Plant and Equipment	4	528	528	212
<b>Operating Surplus</b>	<b>3a</b>	<b>2,838</b>	<b>2,801</b>	<b>3,332</b>
Interest Receivable		359	381	614
Interest and Financing Costs	5	(2,485)	(2,485)	(1,869)
<b>Surplus for the year on ordinary activities before tax</b>		<b>712</b>	<b>697</b>	<b>2,077</b>
Taxation on surplus for the year	6	(11)	(9)	(12)
<b>Surplus for the year after tax</b>		<b>701</b>	<b>688</b>	<b>2,065</b>
Actuarial gains SHPS	24	216	216	(1,030)
LGPS Settlement costs	24	(17,780)	(17,780)	-
LGPS Gain on previously unrecognised asset	24	18,290	18,290	-
<b>Total comprehensive income for the year</b>		<b>1,427</b>	<b>1,414</b>	<b>1,035</b>
The company's turnover and expenses all relate to continuing operations.				
The Group came into existence in December 2023. The subsidiary commenced trading on 1 April 2024, therefore no prior year comparatives have been shown.				

## Statement of Changes in Reserves at 31 March 2025

	Group	Association
	Revenue/Reserve - £'000	Revenue/Reserve - £'000
At 31 March 2024	49,267	49,267
Surplus for the year	701	688
Actuarial gains SHPS	216	-
LGPS Settlement costs	(17,780)	-
LGPS Gain on previously unrecognised asset	18,290	726
<b>At 31 March 2025</b>	<b>50,694</b>	<b>50,681</b>



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## Statement of Financial Position at 31 March 2024

		Group	Association	
	Note	2025 - £'000	2025 - £'000	2024 - £'000
<b>Fixed Assets</b>				
Intangible Assets	10	984	984	595
Housing Properties	11	187,647	187,647	164,411
Other Property, Plant and Equipment	12	487	487	459
Investments - Homebuy Loans Receivable	13	730	730	766
		<b>189,848</b>	<b>189,848</b>	<b>166,231</b>
<b>Current Assets</b>				
Inventories	14	88	-	62
Trade and Other Debtors	15	7,815	8,390	5,818
Cash and Cash Equivalents	23	15,819	15,169	15,724
		<b>23,722</b>	<b>23,559</b>	<b>21,604</b>
Creditors: Amounts falling due within one year	16	(15,166)	(15,016)	(10,269)
<b>Net Current Assets</b>		<b>8,556</b>	<b>8,543</b>	<b>11,335</b>
<b>Total Assets Less Current Liabilities</b>		<b>198,404</b>	<b>198,391</b>	<b>177,566</b>
Creditors: Amounts falling due after more than one year	17	(83,001)	(83,001)	(72,797)
Social Housing and other government grants	18	(64,184)	(64,184)	(54,507)
SHPS Pension Liability	24	(525)	(525)	(995)
<b>Net Assets</b>		<b>50,694</b>	<b>50,681</b>	<b>49,267</b>
<b>Capital and Reserves</b>				
Non-equity Share Capital	20	-	-	-
Comprehensive Income Account		50,694	50,681	49,267
		<b>50,694</b>	<b>50,681</b>	<b>49,267</b>

The Group came into existence in December 2023. The subsidiary commenced trading on 1 April 2024, therefore no prior year comparatives have been shown.

These Financial Statements were approved by the Board on 4 August 2025 and signed on its behalf by:

 **Amanda Davies**  
Chair of the Board

 **Joanne Smith**  
Board Member

 **Claire McDougall**  
Company Secretary





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## Cash flow statement for the year ended 31 March 2025

Group	Note	£'000	£'000
<b>Net cash generated from operating activities</b>	21		8,872
<b>Cash Flows from investing activities</b>			
Purchase of intangible assets	10	(818)	
Acquisition, construction and improvement of housing properties	11	(30,248)	
Purchase of other Property, Plant and Equipment	12	(122)	
Proceeds from sale of housing properties	4	528	
Grants received	18	10,967	
Interest received		359	
<b>Net Cash Flows from investing activities</b>			<b>(19,334)</b>
<b>Cash Flows from financing activities</b>			
Repayment of loans	22	-	
New secured loans	22	13,000	
Interest paid	17	(2,433)	
<b>Net Cash Flows from financing activities</b>			<b>10,557</b>
<b>Net increase in cash and cash equivalents</b>	<b>23</b>		<b>95</b>
<b>Cash and cash equivalents at 1 April 2024</b>	<b>23</b>		<b>15,724</b>
<b>Cash and cash equivalents at 31 March 2025</b>	<b>23</b>		<b>15,819</b>
The Group came into existence in December 2023. The subsidiary commenced trading on 1 April 2024, therefore no prior year comparatives have been shown.			
Cash balances brought forward relate to prior year balances introduced from the Association.			

Free cash flow	Note	2025 - £'000
<b>Net cash generated from operating activities</b>	21	8,872
Interest paid	5	(2,443)
Interest received		359
<b>Adjustment for reinvestment in existing properties</b>		
Component replacements	11	<b>(11,036)</b>
<b>Free cash generated before loan repayments</b>		<b>(4,248)</b>
Loans repaid (excluding refinancing)		-
<b>Free cash generated after loan repayments</b>		<b>(4,248)</b>



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Association	Note	£'000	2025 - £'000	£'000	2024 - £'000
<b>Net cash generated from operating activities</b>	21		8,200		8,478
<b>Cash Flows from investing activities</b>					
Purchase of intangible assets	10	(818)		(583)	
Acquisition, construction and improvement of housing properties	11	(30,248)		(21,061)	
Purchase of other Property, Plant and Equipment	12	(122)		(48)	
Proceeds from sale of housing properties	4	528		212	
Grants received	18	10,967		11,627	
Interest received		381		614	
<b>Net Cash Flows from investing activities</b>			<b>(19,312)</b>		<b>(9,239)</b>
<b>Cash Flows from financing activities</b>					
Repayment of loans	22	-		-	
New secured loans	22	13,000		-	
Interest paid	5	(2,443)		(2,394)	
<b>Net Cash Flows from financing activities</b>			<b>10,557</b>		<b>(2,394)</b>
<b>Net increase in cash and cash equivalents</b>	<b>23</b>		<b>(555)</b>		<b>(3,155)</b>
<b>Cash and cash equivalents at 1 April 2023</b>	<b>23</b>		<b>15,724</b>		<b>18,879</b>
<b>Cash and cash equivalents at 31 March 2024</b>	<b>23</b>		<b>15,169</b>		<b>15,724</b>

Free cash flow	Note	2025 - £'000	2024 - £'000
<b>Net cash generated from operating activities</b>	21	8,200	8,478
Interest paid	5	(2,443)	(2,394)
Interest received		381	614
<b>Adjustment for reinvestment in existing properties</b>			
Component replacements	11	(11,036)	(7,311)
<b>Free cash generated before loan repayments</b>		<b>(4,898)</b>	<b>(613)</b>
Loans repaid (excluding refinancing)		-	-
<b>Free cash generated after loan repayments</b>		<b>(4,898)</b>	<b>(613)</b>



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### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 1. Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year. The Board is satisfied that the current accounting policies are the most appropriate for the Group.

##### (A) General information and basis of accounting

The financial statements have been prepared under historical cost convention in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Housing and Regeneration Act 2008 and The Accounting Requirements for Social Landlords General Determination (Wales) 2015. The Group is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed "PBE" in FRS 102.

The January 2022 edition of FRS 102 includes amendments arising from the Financial Reporting Council's triennial review of the standard. There was no material effect on the amounts recognised in these financial statements as a result of adopting these amendments.

The Group results have been included with no prior year comparator due to being the first year of operation.

##### (B) Basis of Consolidation

The Group Financial Statements consolidate the accounts of Valleys to Coast Housing Ltd, the parent Association, and its subsidiary undertaking, Llanw Property Services Ltd.

Subsidiaries are entities controlled by the Group. Control is achieved when the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

All intra-group transactions, balances, income and expenditure are eliminated in full on consolidation.

The financial statements of subsidiaries are prepared using consistent accounting policies and reporting dates as those of the parent Association.

##### (C) Going concern

The financial statements have been prepared on a going concern basis, and in accordance with applicable accounting standards. The activities of the business are profitable, and the

Group financial forecasts covering the short and medium term indicate that it will generate sufficient surpluses to meet its liabilities as they fall due.

The Group also has a long-term business plan which shows that it can service these debt facilities whilst continuing to comply with all lenders' covenants.

As at March 2025, these Group financial statements are showing a net current asset position of £8,556k (2024: net current assets of £11,335k). The Board are comfortable that the business has sufficient funds in place to cover its liabilities as they fall due and believe that the net current asset position supports their view of the appropriateness of the use of the going concern assumption. Work is ongoing within the business to improve efficiency, Value for Money outcomes as well as improved debt recovery which will continue to maintain the net current asset position during 2025-2026.

The Group business activities, its current financial position and factors likely to affect its future development are regularly considered by the Board. The Group has in place long-term debt



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facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Group day to day operations.

The board recognises the additional pressures on affordability due to rising costs of energy and other household essentials. Rent arrears levels are being monitored on a weekly basis and additional resources have been allocated to supporting our customers during this difficult time.

The sector is experiencing price escalation for raw materials and sub-contract labour. The business continues to leverage best value for money through its procurement practices and whilst there is uncertainty regarding the duration of this heated economic environment the Board does not believe that it poses a going concern risk to the business.

On this basis, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. Accordingly, the Board considers it appropriate to adopt the going concern basis for the preparation of the financial statements.

### (D) Turnover

Turnover represents rental and other income receivable, grants for supported housing and other revenue grants

receivable. Rental income is accounted for in full weeks, subject to prorate for opening and closing positions in the financial year. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Amortisation of social housing and other government grants is accounted for in line with the accounting policy.

### (E) Sales of properties and fixed asset investments

Surpluses or deficits resulting from the sale of properties and fixed asset investments are shown in the Statement of Comprehensive Income under surpluses / (deficits) on disposal of property, plant and equipment. Revenue is recognised on the completion of sales. As noted above in (a), the surplus arising from the sale of fixed assets is now shown within operating surplus.

### (F) Intangible assets

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

Computer Software Development 33.3%

### (G) Housing properties

Housing Properties are stated at cost less depreciation. Cost includes the cost of acquiring the land and buildings plus associated loan interest, fees and works required to bring them into use. Capitalised interest was charged at a WACC of 3.83%.

Directly attributable costs are the labour costs of Valleys to Coast arising directly from the acquisition of Housing Properties, and incremental costs that would have been avoided only if individual properties had not been acquired.

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

Depreciation is charged on a straight-line basis, over the useful economic life of the asset. Freehold land is not depreciated.

Major Components of New Housing Properties and Purchased Housing Properties are depreciated over their estimated elemental life span, on a straight-line basis over the following periods:





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Heating systems	18 years
Boilers	12 years
Kitchens	15 years
Lifts	20 years
Bathrooms	25 years
Electrical systems and whole house rewires	25 years
Energy production equipment (PV solar panels and air source heat pumps)	25 years
External wall Insulation	25 years
External and retaining walls	50 years
External windows and doors	30 years
Rainwater goods	15 years
Roofs	65 years

The structure of all traditionally built New Housing Properties and Purchased Housing Properties' capitalised cost is depreciated on a straight-line basis over a period of 100 years.

The structure of all non-traditionally built New Housing Properties and Purchased Housing Properties' capitalised cost is depreciated on a straight-line basis over a period of 50 years.

All other capitalised Housing Property Improvements are depreciated on a straight-line basis over a period of 50 years.

Enhancements are depreciated over the remaining useful life of the associated component.

## Improvements

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in surplus or deficit in the Statement of Comprehensive Income.

## Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the Group is recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

## (H) Impairment of housing properties

At each reporting date an impairment assessment is carried out on all income generating units and any impairment is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of an asset exceeds the higher of its net realisable value or its

fair value less costs to sell.

An impairment review has taken place on all the Group Housing Properties as at 31 March 2025 and it is felt that the properties are not impaired.

## (I) Non-housing property, plant and equipment

Non-housing property, plant and equipment is stated at historical cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all non-housing property, plant and equipment, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Office Improvements	Over the remaining lives of the leases
Furniture, fixtures and fittings	10%
Computers and office equipment	20%
Plant and tools	25%
Vehicles	25%



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### (J) Investment in Subsidiaries

Investments in subsidiary undertakings are stated at cost less any provision for impairment. Cost includes direct acquisition costs.

Where indicators of impairment exist, the carrying value of the investment is assessed and written down to its recoverable amount if lower than cost.

### (K) Inventories

Inventories are stated at the lower of cost and net realisable value.

### (L) Social housing and other government grants

Public Sector grant income received is matched with the expenditure to which it relates. The grant will be recognised when there is reasonable assurance that the conditions attached to it will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property

structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component. Where grant income is received as a contribution towards revenue expenditure, it is included in turnover.

### (M) Recycling of grants

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

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

### (N) Pension costs

The Group participates in three pension schemes:

The Social Housing Pension Scheme (the SHPS Scheme) is a defined benefit scheme managed by the Pensions Trust. The SHPS Scheme is an industry wide multi-employer defined benefit pension scheme.

This defined benefit pension scheme was closed to future contributions in July 2019.

The defined benefit pension liability is accounted for on a defined benefit basis. Further disclosures relating to the SHPS defined benefit pension scheme can be found in Note 24.

The Local Government Pension Scheme (the LGPS Fund) is a defined benefit scheme managed by Rhondda Cynon Taf County Borough Council. The LGPS Fund is a multi-employer scheme where it is possible for the Group to identify its share of the assets and liabilities of the scheme. For the LGPS Fund the amounts charged to operating surplus are the costs arising from employee services rendered during the year and the cost of plan benefit changes. They are included as part of staff costs.

This defined benefit pension scheme was exited in September 2024.



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The net interest cost on the net defined benefit liability is charged to revenue and included within finance costs.

Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the defined benefit liability) are recognised immediately in other comprehensive income. See Note 24 for further details.

The Social Housing Pension Scheme (SHPS) Defined Contribution (DC) scheme.

### (O) Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

### (P) Financial instruments and loans

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

### Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

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

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

### Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest-bearing loans and borrowings. Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

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

### Financing transactions

Loan arrangement fees are capitalised and recognised as expenditure over the terms of the loans.

### (Q) Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.



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## (R) Value Added Tax (VAT)

The Group is partially exempt for VAT purposes and charges VAT on some of its income and can recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

## (S) Debtors

Short term debtors are measured at transaction price less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method less any impairment. Where deferral of payment terms have been agreed at below market rate and where material, the balance is shown at the present value, discounted at a market rate.

## (T) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities including bank loans, are measured initially at fair value, net of transaction cost, and are measured subsequently at amortised cost using the effective interest method.

## (U) Home buy option

Where the Group received an allowance from Welsh Government to administer the sale of property under the 'Home Buy Option' initiative and in turn has made an interest free loan to the purchaser secured by a charge on the property, the loan is accounted for under investments at cost with the associated grant included in long term liabilities on the statement of financial position.

## (V) Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred. Termination costs are recognised as an expense in the period when we have agreed a contractual termination date.

## (W) Reserves

Reserves represent the retained distributable earnings of Valleys to Coast Housing Association Ltd and Llanw Property Services Ltd.

## 2. Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of

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

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

## (A) Significant management judgements

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

### Impairment of social housing properties

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





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### (B) Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### Fair value measurement

Management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management base the assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available.

Estimated fair values may vary from the actual process that would be achievable in an arm's length transaction at the reporting date.

#### Provisions

Provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of

the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

#### Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on several factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. Please see note 24 for further information.

#### 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 operating expenses.

#### Recoverable amount of rental and other trade receivables

Management 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. Please see

note 15 for further information.

#### Useful Lives of Depreciable Assets

Tangible fixed assets are depreciated over their useful lives. Management reviews the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes in home standards which may require more frequent replacement of key components.

The key judgements and estimates applied in respect of housing property are contained within these notes, in section 1(d) above, and include the useful economic life of properties and that properties have no residual value at the end of useful life.

#### Social housing grant and other capital grants

All government grants initially appear as creditors in the Statement of Financial Position at the fair value of the sum receivable. Grants are amortised on a straight-line basis over the life of the asset whose purchase they support which is, as above, is an estimate. The impact of this estimate is disclosed in Note 18.



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## 3a. Turnover, operating costs and operating surplus

Group	Turnover £'000	Operating Costs £'000	2025 Operating Surplus £'000	Turnover £'000	Operating Costs £'000	2024 Operating Surplus £'000
<b>Income and Expenditure from lettings</b>						
General Needs Housing Accommodation	38,925	(37,453)	1,472	36,052	(32,733)	3,319
Supported, Sheltered and Extra-Care Housing Accommodation	695	(1,039)	(344)	756	(1,701)	(945)
<b>Fully Rented Housing Accommodation</b>	<b>39,620</b>	<b>(38,492)</b>	<b>1,128</b>	<b>36,808</b>	<b>(34,434)</b>	<b>2,374</b>
Commercial Property	216	(22)	194	212	(21)	191
Garages and Garage Bases	162	-	162	176	-	176
Development costs not capitalised	-	-	-	-	(62)	(62)
<b>Total from lettings</b>	<b>39,998</b>	<b>(38,514)</b>	<b>1,484</b>	<b>37,196</b>	<b>(34,517)</b>	<b>2,679</b>
Leaseholders	736	(486)	250	486	(514)	(28)
Other activities	600	(24)	576	488	(19)	469
	<b>41,334</b>	<b>(39,024)</b>	<b>2,310</b>	<b>38,170</b>	<b>(35,050)</b>	<b>3,120</b>
Surplus on disposal of Property, Plant and Equipment	-	528	528	-	212	212
	<b>41,334</b>	<b>(38,496)</b>	<b>2,838</b>	<b>38,170</b>	<b>(34,838)</b>	<b>3,332</b>



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Association	Turnover £'000	Operating Costs £'000	2025 Operating Surplus £'000	Turnover £'000	Operating Costs £'000	2024 Operating Surplus £'000
<b>Income and Expenditure from lettings</b>						
General Needs Housing Accommodation	39,262	(37,827)	1,435	36,052	(32,733)	3,319
Supported, Sheltered and Extra-Care Housing Accommodation	695	(1,039)	(344)	756	(1,701)	(945)
<b>Fully Rented Housing Accommodation</b>	<b>39,957</b>	<b>(38,866)</b>	<b>1,091</b>	<b>36,808</b>	<b>(34,434)</b>	<b>2,374</b>
Commercial Property	216	(22)	194	212	(21)	191
Garages and Garage Bases	162	-	162	176	-	176
Development costs not capitalised	-	-	-	-	(62)	(62)
<b>Total from lettings</b>	<b>40,335</b>	<b>(38,888)</b>	<b>1,447</b>	<b>37,196</b>	<b>(34,517)</b>	<b>2,679</b>
Leaseholders	736	(486)	250	486	(514)	(28)
Other activities	600	(24)	576	488	(19)	469
	<b>41,671</b>	<b>(39,398)</b>	<b>2,273</b>	<b>38,170</b>	<b>(35,050)</b>	<b>3,120</b>
Surplus on disposal of Property, Plant and Equipment	-	528	528	-	212	212
	<b>41,671</b>	<b>(38,870)</b>	<b>2,801</b>	<b>38,170</b>	<b>(34,838)</b>	<b>3,332</b>



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## 3b. Income and expenditure from social housing lettings

Group	General Needs Housing Accommodation £'000	Supported, Sheltered and Extra-Care Housing Accommodation £'000	2025 Total £'000	2024 Total £'000
<b>Income</b>				
Rent receivable	35,956	278	36,234	33,594
Service charges receivable	1,340	417	1,757	1,732
Grant for supported housing	-	-	-	-
Physical Adaptation Grant	418	-	418	319
Tenant Recharges	250	-	250	175
Welsh Government Housing Finance Grant (HFG) revenue receipt	202	-	202	59
Amortisation of social housing and other government grants	1,096	-	1,096	929
<b>Turnover from social housing lettings</b>	<b>39,262</b>	<b>695</b>	<b>39,957</b>	<b>36,808</b>





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Group	General Needs Housing Accommodation £'000	Supported, Sheltered and Extra-Care Housing Accommodation £'000	2025 Total £'000	2024 Total £'000
<b>Income</b>				
Housing management	13,455	197	13,652	11,814
Housing services	1,467	488	1,955	2,568
Maintenance – reactive	14,953	1	14,954	12,148
Maintenance – cyclical	-	-	-	27
Physical Adaptations	276	-	276	256
Planned maintenance and major repairs	461	-	461	571
Depreciation of housing properties	6,305	353	6,658	6,243
Depreciation of other fixed assets	523	-	523	419
Rent loss from bad debts	387	-	387	388
<b>Operating costs on social housing lettings</b>	<b>37,827</b>	<b>1,039</b>	<b>38,866</b>	<b>34,434</b>
Operating surplus on social housing lettings	1,435	(344)	1,091	2,374
<b>Rent loss due to voids (memorandum note)</b>	<b>(587)</b>	<b>(6)</b>	<b>(593)</b>	<b>(668)</b>

Included within Housing management cost of £13,652,000 are exceptional items of £484,000 – £425,000 relating to the exit of the LGPS pension scheme and £59,000 relating to legal fees incurred for the EICR project.



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Association	General Needs Housing Accommodation £'000	Supported, Sheltered and Extra-Care Housing Accommodation £'000	2025 Total £'000	2024 Total £'000
<b>Income</b>				
Rent receivable	35,956	278	36,234	33,594
Service charges receivable	1,340	417	1,757	1,732
Grant for supported housing	-	-	-	-
Physical Adaptation Grant	418	-	418	319
Tenant Recharges	250	-	250	175
Welsh Government Housing Finance Grant (HFG) revenue receipt	202	-	202	59
Amortisation of social housing and other government grants	1,096	-	1,096	929
<b>Turnover from social housing let- tings</b>	<b>39,262</b>	<b>695</b>	<b>39,957</b>	<b>36,808</b>



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Association	General Needs Housing Accommodation £'000	Supported, Sheltered and Extra-Care Housing Accommodation £'000	2025 Total £'000	2024 Total £'000
<b>Income</b>				
Housing management	13,455	197	13,652	11,814
Housing services	1,467	488	1,955	2,568
Maintenance – reactive	14,953	1	14,954	12,148
Maintenance – cyclical	-	-	-	27
Physical Adaptations	276	-	276	256
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Depreciation of other fixed assets	523	-	523	419
Rent loss from bad debts	387	-	387	388
<b>Operating costs on social housing lettings</b>	<b>37,827</b>	<b>1,039</b>	<b>38,866</b>	<b>34,434</b>
Operating surplus on social housing lettings	1,435	(344)	1,091	2,374
<b>Rent loss due to voids (memorandum note)</b>	<b>(587)</b>	<b>(6)</b>	<b>(593)</b>	<b>(668)</b>

Included within Housing Management costs is an amount of £425,000 relating to legal costs uncured upon exit of the LGPS pension scheme. Further detail can be found in Note 24.



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### 4. Sales of housing properties and other fixed assets

	2025 - £'000	2024 - £'000
Sales proceeds	530	224
Costs of sales	(2)	(12)
<b>Surplus on disposal</b>	<b>528</b>	<b>212</b>

### 5. Interest and financing costs

	Group	Association	
	2025 - £'000	2025 - £'000	2024 - £'000
Loans and bank overdrafts	2,443	2,443	2,394
Net interest on defined benefit liability (note 24)	42	42	(525)
	<b>2,485</b>	<b>2,485</b>	<b>1,869</b>

### 6. Tax on surplus on ordinary activities

	Group	Association	
Current tax	2025 - £'000	2025 - £'000	2024 - £'000
UK Corporation Tax on surplus for the year	8	6	12
Adjustment in respect of prior years	3	3	-
<b>Total tax on results on ordinary activities</b>	<b>11</b>	<b>9</b>	<b>12</b>

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 19%. The differences are explained as follows:





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	Group	Association	
Total tax reconciliation	2025 - £'000	2025 - £'000	2024 - £'000
Surplus on taxable activities before tax	47	32	63
Theoretical tax at UK corporation tax rate 19%	8	6	12
Income not taxable	-	-	-
Non-deductible expenditure	-	-	-
Adjustments to tax in respect of prior periods	3	3	-
<b>Total tax on taxable activities</b>	<b>11</b>	<b>9</b>	<b>12</b>

## 7. Surplus on ordinary activities

	Group	Association	
Surplus on ordinary activities is stated after charging:	2025 - £'000	2025 - £'000	2024 - £'000
Staff costs	13,256	9,181	11,041
Operating lease payments	890	338	697
Depreciation of housing properties (Note 11)	6,658	6,658	6,243
Depreciation of intangible assets (Note 10)	429	429	325
Depreciation of other property plant and equipment (Note 12)	94	94	94
<b>Amortisation of government grants</b>	<b>(1,096)</b>	<b>(1,096)</b>	<b>(929)</b>
<b>Auditors' remuneration (inclusive of VAT):</b>			
In their capacity as auditors - current year fees	39	24	14
Prior year overrun fees	-	-	-
<b>In respect of other services - tax compliance</b>	<b>3</b>	<b>3</b>	<b>3</b>



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## 8. Staff costs

	Group	Association	
Staff costs including directors:	2025 - £'000	2025 - £'000	2024 - £'000
Wages and salaries	10,485	7,054	8,895
Social security costs	1,086	737	871
Other pension costs – Employer's contributions	1,186	900	1,185
	<b>12,757</b>	<b>8,691</b>	<b>10,951</b>
In addition to the above were payments in respect of redundancy and discretionary rewards	499	490	90
<b>Average number of persons expressed as full time equivalents employed during the year:</b>			
Management and administration	209	182	186
Scheme co-ordinators, community caretakers and cleaners	11	9	13
Housing Repair Service (operatives)	66	7	61
<b>Total number of employees expressed as full time equivalents</b>	<b>286</b>	<b>198</b>	<b>260</b>
<b>Average number of employees during the year:</b>			
Management and administration	219	188	195
Scheme co-ordinators, community caretakers and cleaners	11	9	15
Housing Repair Service (operatives)	68	6	62
<b>Average total number of employees</b>	<b>298</b>	<b>203</b>	<b>272</b>

Capitalised salaries of £1,830,535 are included in wages and salaries (2024: £1,350,913)

£499k was paid relating to redundancy and discretionary payments: £17k related to redundancy payments (Llanw £9k and V2C £8k), £9k related to PILON, £420k related to LGPS transition payments and £53k related to redundancy related to exit of LGPS scheme.



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### 9. Directors' emoluments

	Group	Association	
The remuneration paid to the directors and senior officers including the Chief Executive was:	2025 - £'000	2025 - £'000	2024 - £'000
Emoluments (including employer's pension contributions)	973	805	673
Emoluments of Board Members	62	62	60
	1,035	867	733
The emoluments of directors and senior officers disclosed above (excluding pension contributions) include amounts paid to:			
The highest paid director	152	152	150



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The full time equivalent number of directors and staff to whom emoluments were payable in excess of £60,000 (excluding pension contributions) fell within the bands:

	Group	Association	
	2025 - £'000	2025 - £'000	2024 - £'000
£60,001 - £70,000	12	10	10
£70,001 - £80,000	9	9	3
£80,001 - £90,000	3	3	2
£90,001 - £100,000	-	-	-
£100,001 - £110,000	1	-	2
£110,001 - £120,000	2	2	-
£120,001 - £130,000	1	1	-
£130,001 - £140,000	-	-	-
£140,001 - £150,000	-	-	-
£150,001 - £160,000	1	1	1
	29	26	18

Expenses paid during the year to Board Members amounted to £13 (2024: £86).



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### 10. Intangible assets

	Computer Software £'000
<b>Cost</b>	
At 1 April 2024	4,659
Additions	818
Disposals	(14)
Disposal of fully amortised assets	(2,303)
<b>At 31 March 2025</b>	<b>3,160</b>
<b>Depreciation</b>	
At 1 April 2024	4,064
Charge for the year	429
Eliminated on disposals	(14)
Disposal of fully amortised assets	(2,303)
<b>At 31 March 2025</b>	<b>2,176</b>
<b>Net Book Value</b>	
<b>At 31 March 2025</b>	<b>984</b>
At 31 March 2024	595





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## 11. Housing properties

	Housing Properties held for letting £'000	Housing Properties under construction £'000	Housing Properties Total £'000
<b>Cost</b>			
As at 1 April 2024	223,790	15,504	239,294
Additions	12,140	18,108	30,248
Transferred on Completion	18,937	(18,937)	-
Write off prior year balance	-	-	-
Abortive Development Costs	-	-	-
Disposals	(1,130)	-	(1,130)
<b>At 31 March 2025</b>	<b>253,737</b>	<b>14,675</b>	<b>268,412</b>
<b>Depreciation</b>			
As at 1 April 2024	(74,883)	-	(74,883)
Charge for the year	(6,658)	-	(6,658)
Eliminated on disposals	776	-	776
<b>At 31 March 2025</b>	<b>(80,765)</b>	<b>-</b>	<b>(80,765)</b>
<b>Net book value</b>			
<b>At 31 March 2025</b>	<b>172,972</b>	<b>14,675</b>	<b>187,647</b>
At 31 March 2024	148,907	15,504	164,411

Housing and other properties held for letting comprise:

	2025 - £'000	2024 - £'000
Improvements to freehold land and buildings	87,667	81,710
Purchases of freehold properties and new development	85,305	67,197
	<b>172,972</b>	<b>148,907</b>



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Capitalised interest costs of £232,137 (2024: £100,418) are included in Housing Properties

Physical Adaptations of £461,356 (2024: £349,490) are included in Housing Properties held for letting

Major repairs and improvement expenditure on existing properties during the year amounted to £11,802,000 (2024: £7,882,000). This has been accounted for as follows:

	2025 - £'000	2024 - £'000
Planned maintenance and major repairs (revenue)	461	571
Improvements (capital)	11,341	7,311

There is no difference between the Group and Association results for Housing Properties. Therefore, one combined table has been presented.

## 12. Other property, plant and equipment

	Office Improvements £'000	Furniture, Fixtures & Fittings £'000	Computers & Office Equipment £'000	Plant & Tools £'000	Vehicles £'000	Total £'000
<b>Cost</b>						
At 1 April 2024	780	388	1,259	82	9	2,518
Additions	-	76	46	-	-	122
Disposals	-	-	-	-	-	-
<b>At 31 March 2025</b>	<b>780</b>	<b>464</b>	<b>1,305</b>	<b>82</b>	<b>9</b>	<b>2,640</b>
<b>Depreciation</b>						
At 1 April 2024	570	286	1,119	76	8	2,059
Charge for the year	6	24	61	3	-	94
Eliminated on disposals	-	-	-	-	-	-
<b>At 31 March 2025</b>	<b>576</b>	<b>310</b>	<b>1,180</b>	<b>79</b>	<b>8</b>	<b>2,153</b>
<b>Net book value</b>						
<b>At 31 March 2025</b>	<b>204</b>	<b>154</b>	<b>125</b>	<b>3</b>	<b>1</b>	<b>487</b>
At 31 March 2024	210	102	140	6	1	459



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### 13. Investments

	Grant £'000	Non-Grant £'000	Total £'000
<b>Cost</b>			
At 1 April 2024	-	766	766
Additions	-	-	-
Disposals	(36)	-	(36)
<b>At 31 March 2025</b>	<b>(36)</b>	<b>766</b>	<b>730</b>

All investments represent long term loans provided to individuals purchasing properties under the "Home-Buy Initiative". Where properties funded by Social Housing Grant are disposed of, the grant is required to be either recycled to fund new Social Housing or repaid to the Welsh Government.

### 14. Inventories

	Group	Association	
	2025 - £'000	2025 - £'000	2024 - £'000
Stock of materials	88	-	62
	<b>88</b>	<b>-</b>	<b>62</b>



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## 15. Trade and other debtors

	Group	Association	
	2025 - £'000	2025 - £'000	2024 - £'000
<b>Amounts falling due within one year:</b>			
Gross rent and service charge arrears	2,071	2,071	2,413
Less: provision for bad debts	(1,028)	(1,028)	(1,140)
Net rent and service charge arrears	1,043	1,043	1,273
Other debtors	869	763	282
Amount due from group entities	-	681	-
LGPS exit credit	800	800	-
<b>Prepayments and accrued income</b>	<b>5,103</b>	<b>5,103</b>	<b>4,263</b>
	<b>7,815</b>	<b>8,390</b>	<b>5,818</b>

## 16. Creditors: Amount falling due within one year

	Group	Association	
	2025 - £'000	2025 - £'000	2024 - £'000
<b>Amounts falling due within one year:</b>			
Loans (Note 19)	4,000	4,000	1,000
Trade creditors	4,446	3,550	3,719
Other taxation and social security costs	168	168	223
Rent and service charges received in advance	847	847	756
Retentions	920	920	645
Social Housing and Other Government Grants (note 18)	1,120	1,120	1,184
bLEND Bond Premium Amortisation	133	133	133
Accruals and deferred income	3,532	3,168	2,609
Amounts due to group entities	-	1,110	-
	<b>15,166</b>	<b>15,016</b>	<b>10,269</b>



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### 17. Creditors: Amounts falling after more than one year

	2025 - £'000	2024 - £'000
Loans due between 1 and 5 years	-	-
Loans due greater than 5 years	80,000	70,000
Less deferred loan arrangement fees	(1,079)	(1,162)
	<b>78,921</b>	<b>68,838</b>
bLEND Bond Premium	3,716	3,848
Recycled Capital Grant Fund	364	111
	<b>83,001</b>	<b>72,797</b>

	2025 - £'000	2024 - £'000
Recycled Capital Grant Fund		
At 1 April 2024	111	111
Additions (note 18)	253	-
Disposals	-	-
At 31 March 2025	364	111





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## 18. Deferred income – Government grants

	2025 – £'000	2024 – £'000
At 1 April 2024	55,691	45,000
Grant Receivable	10,967	11,627
PAG Receivable	-	-
Amortisation to Statement of Comprehensive Income	(1,096)	(929)
Grant Disposals	(5)	(7)
Transferred to RCGF	(253)	-
<b>At 31 March 2025</b>	<b>65,304</b>	<b>55,691</b>
Due within one year	1,120	1,184
Due after one year	64,184	54,507
	<b>65,304</b>	<b>55,691</b>

## 19. Debt analysis

	2025 – £'000	2024 – £'000
<b>Housing Loans – due within one year</b>		
Bank Loans	4,000	1,000
<b>Housing Loans – due after more than one year</b>		
Bank Loans – long term loan facility (Repayable within five years)	-	-
Bank Loans – long term loan facility (Repayable after five years)	80,000	70,000



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The loans are secured by specific charges on the Company's housing properties and a fixed charge over the entire undertaking and are repayable as follows:

- A £25 million fixed rate Note Purchase Agreement, facilitated by M&G Investments, which must be fully repaid by 31 March 2045;
- A £10 million fixed rate Note Purchase Agreement, facilitated by M&G Investments, which must be fully repaid by 31 March 2052;
- An interest free loan of £1m, funded by Welsh Government, which is due to be repaid in April 2025.
- A £35m bLEND Bond Issue, facilitated by THFC which is due to mature in May 2054, with the repayment being due in March 2054.
- A £5m development loan funded by Welsh Government, which is due to be repaid in March 2054.
- A £5m development loan funded by Welsh Government, which is due to be repaid in March 2055.

At 31 March 2025, the Association had undrawn loan facilities of £12 million (2024: £15 million). Commitment fees also apply at a rate of 0.42% on £15 million of the undrawn balance. The value of assets used to secure the above facilities was £120m.

### 20. Non-equity share capital

	2025 - £'000	2024 - £'000
<b>Shares of £1 each fully paid and issued:</b>		
At 1 April 2024	38	37
Issued during the year	-	2
Cancelled during the year	(7)	(1)
<b>At 31 March 2025</b>	<b>31</b>	<b>38</b>

The shares provide members with the right to vote at general meetings. The shares carry no right to a dividend, there is no provision for the redemption of shares and there is no provision for a distribution following a winding-up.



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## 21. Reconciliation of operating surplus to cash generated from operating activities

	Group	Association	
	2025 - £'000	2025 - £'000	2024 - £'000
Operating surplus for the year	2,838	2,801	3,332
Adjustments for non-cash items:			
Depreciation charges	7,181	7,181	6,662
Amortisation of social housing and other government grants	(1,096)	(1,096)	(929)
Amortisation of bLEND Premium	(133)	(133)	(133)
Capitalised Interest Costs	(232)	(232)	(100)
Release of loan transaction fees	83	83	83
Net gain on the sale of fixed assets	(528)	(528)	212
Transfer to RCGF	253	253	-
Disposal of Fixed Assets	349	349	708
LCHO equity	-	-	(60)
Pension costs less contributions paid	214	214	(370)
Movement in bad debt provision	(112)	(112)	(33)
(Increase) in trade and other debtors	(1,885)	(2,460)	(163)
Increase/(Decrease) in trade and other creditors	1,961	1,811	(627)
Decrease/(Increase) in stock	(26)	62	311
Taxation liability	11	9	12
Other net movements	(6)	(2)	(3)
<b>Cash generated from operating activities</b>	<b>8,872</b>	<b>8,200</b>	<b>8,478</b>



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## 22. Reconciliation of net cash flow to movement in net debt

	Group	Association	
	2025 - £'000	2025 - £'000	2024 - £'000
Increase in cash	95	(555)	(3,155)
Cash outflow from repayment of debt	-	-	-
Cash inflow from increase in debt	13,000	13,000	-
Change in net debt resulting from cash flows	13,095	12,445	(3,155)
<b>Movement in net debt in the year</b>			
Net debt at 1 April 2024	(55,276)	(55,276)	(52,121)
<b>Net debt at 31 March 2025</b>	<b>(42,181)</b>	<b>(42,831)</b>	<b>(55,276)</b>

## 23. Analysis of changes in the net debt

Group	At 1 April 2024 £'000	Cash Flows £'000	At 31 March 2025 £'000
Cash at Bank and in hand	15,724	95	15,819
Loans - Long term loan facility	(71,000)	(13,000)	(84,000)
	<b>(55,276)</b>	<b>(12,905)</b>	<b>(68,181)</b>

Association	At 1 April 2024 £'000	Cash Flows £'000	At 31 March 2025 £'000
Cash at Bank and in hand	15,724	(555)	15,169
Loans - Long term loan facility	(71,000)	(13,000)	(84,000)
	<b>(55,276)</b>	<b>(13,555)</b>	<b>(68,831)</b>



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## 24. Pension Obligation

Up to 31 March 2008 the Group's employees were eligible to join either the Social Housing Pension Scheme (the SHPS Scheme) or the Rhondda Cynon Taf County Borough Council Pension Fund, which is part of the Local Government Pension Scheme (the LGPS Fund).

From 1 April 2008 the Group's employees, not already members of either Pension Scheme, were only eligible to join benefit structures under the SHPS Scheme, although the SHPS defined benefit scheme was closed to new entrants from July 2019.

On 30 September 2024 the Group exited the LGPS.

Therefore, Valleys to Coast does not actively participate in any defined benefit. Further information on the liabilities for both the LGPS and SHPS schemes is given below:

Summary of Asset/(Liability):	2025 - £'000	2024 - £'000
LGPS	-	-
SHPS	(525)	(995)
<b>Total Liability</b>	<b>(525)</b>	<b>(995)</b>

### SHPS – General information

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 2020. This valuation revealed a deficit of £1.560m. 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 Association 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 financial years ending on or before 28 February 2019, it was not possible for the Association to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Association has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme. The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive. The liabilities are compared, at the relevant accounting date, with the Group's fair share of the Scheme's total assets to calculate the Group's net deficit or surplus.





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The Scheme is a defined benefit scheme in the UK. As at 31 March 2025 there were no active members of the Scheme employed by the Company (2024: 0).

## SHPS Scheme – Present values of defined benefit obligation, fair value of assets and defined benefit asset liability

	2025 – £'000	2024 – £'000
Fair value of plan assets	4,017	4,117
Present value of defined benefit obligation	(4,542)	(5,112)
<b>Defined benefit liability to be recognised</b>	<b>(525)</b>	<b>(995)</b>

## SHPS Scheme – Reconciliation of opening and closing balances of the defined benefit obligation

	2025 – £'000	2024 – £'000
Opening defined benefit obligation	5,112	5,097
Current service cost	-	-
Expenses	13	13
Interest Expense	250	244
Member contributions	-	-
Actuarial losses due to scheme experience	250	65
Actuarial gains due to changes in demographic assumptions	-	(49)
Actuarial gains due to changes in financial assumptions	(963)	(149)
Benefits paid out and expenses	(120)	(109)
Closing defined benefit obligation	4,542	5,112



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### SHPS Scheme – Reconciliation of opening and closing balances of the fair value of plan assets

	2025 – £'000
Opening fair value of assets	4,117
Interest income on assets	208
Experience on plan assets loss	(497)
Employer Contributions	309
Member Contributions	-
Benefits paid and expenses	(120)
<b>Closing fair value of plan assets</b>	<b>4,017</b>

### SHPS Scheme – Amounts recognised in the Statement of Comprehensive Income

	2025 – £'000
Operating cost	
Current service cost	-
Expenses	(13)
Financing Cost	
Interest on net defined liability	(42)
<b>Pension expense recognised in surplus for the year (SoCI)</b>	<b>(55)</b>

### SHPS Scheme – Amounts recognised in Other Comprehensive Income

	2025 – £'000
Experience on plan assets	(497)
Experience gains and losses arising on the plan liabilities – loss	(250)
Effects of changes in the underlying demographic assumptions – gain	-
Effects of changes in the underlying financial assumptions – gain	963
<b>Total amount recognised in Other Comprehensive Income – loss</b>	<b>216</b>



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## SHPS Scheme – Assets

	2025 – £'000	2024 – £'000
Global Equity	450	410
Absolute Return	-	161
Distressed Opportunities	-	145
Credit Relative Value	-	135
Alternative Risk Premia	-	131
Liquid Alternatives	745	-
Emerging Markets Debt	-	53
Risk Sharing	-	241
Insurance-Linked Securities	12	21
Property	201	165
Infrastructure	1	416
Private Equity	4	3
Real Assets	481	-
Private Debt	-	162
Opportunistic Illiquid Credit	-	161
Private Credit	491	-
Credit	154	-
Investment Grade Credit	124	-
High Yield	-	1
Opportunistic Credit	-	-
Cash	55	81
Long Lease Property	1	27
Secured Income	67	123
Liability driven Investment	1,216	1,676
Currency Hedging	6	(2)
Net Current Assets	9	7
<b>Fair value of assets</b>	<b>4,017</b>	<b>4,117</b>



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### SHPS Scheme – Principal Financial Assumptions

The principal assumptions used for FRS 102 purposes were:

	2025 - % p.a.	2024 - % p.a.
Discount Rate	5.97	4.94
Inflation (RPI)	3.03	3.07
Inflation (CPI)	2.80	2.80
Salary Growth	3.80	3.80
Allowance for commutation of pension for cash at retirement (maximum allowance)	75%	75%

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	(Years)
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5



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## LGPS – General information

The disclosures below relate to the funded liabilities within the Rhondda Cynon Taf County Borough Council Pension Fund which is part of the Local Government Pension Scheme (LGPS Fund) and is a defined benefit scheme.

The employer contributions paid for the year were £161,000 (2023/24: £328,000)

Net Pension Asset last year

The FRS 102 balance sheet as at 31 March 2024 was showing a net pensions asset before consideration of a surplus restriction. We understand the surplus was restricted by £15.95M. We have allowed for this in the opening balances this year.

Exit of Valleys to Coast Housing as at 30 September 2024

The Employer has exited the LGPS and therefore has settled their Defined Benefit Obligation

The defined benefit obligation as at 30 September 2024 (before settlement) has been calculated using a full valuation approach using the membership data supplied for the exit valuation of the Employer. Please note the following:

We understand the Administering Authority has determined that an exit credit will be paid of £0.80M. We have therefore prepared these figures allowing for the exit credit within the employer contributions line.

We have prepared these figures assuming the exit of Valleys to Coast Housing from the Rhondda Cynon Taf Pension Fund is to be accounted for as a Settlement, after allowance for the exit credit. When settling the scheme we have firstly disapplied the surplus restriction (including interest to 30 September 2024) which is shown as a credit to OCI. We have then settled the net pension asset at 30 September 2024 through OCI as a settlement loss of £17.43M.

## Asset returns

Asset returns over the accounting period have been lower than expected. This has led to a loss on assets over the accounting period and a worsening in the balance sheet position.

## Financial assumptions

There has been a change to the financial assumptions over the period. The discount rate has increased by 0.30%. This has resulted in a more positive balance sheet position than if the financial assumptions at the start of the period had been used. The impact of this change is recognised in Other Comprehensive Income.





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### Key assumptions

	2025- % p.a.	2024 - % p.a.
Discount Rate	5.10	4.80
Rate of inflation (CPI)	2.60	2.60
Pension increases	2.60	2.60
Pension accounts revaluation rate	2.60	2.60
Rate of general increase in salaries	N/A	3.85

### Asset allocation

	Value at 30/09/2024		Value at 31/03/2024	
	%	£(m)	%	£(m)
Equities	64.4	27.65	65.5	28.08
Property	0.0	0.00	6.1	2.62
Government Bonds	11.5	4.94	11.5	4.93
Corporate Bonds	15.2	6.53	15.0	6.43
Multi Asset Credit	6.1	2.62	0.0	0.00
Cash	2.3	0.99	0.7	0.30
Other	0.5	0.21	1.2	0.51
	100.00	42.94	100.00	42.87



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### LGPS Fund – Mortality Assumptions

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2022 Actuarial Valuation, and allow for expected future mortality improvements. Sample life expectancies at age 65 in normal health resulting from these mortality assumptions are shown below.

Post Retirement Mortality	2025	2024
Males		
Pensioner member aged 65 at accounting date	20.8	21.0
Active member aged 45 at accounting date	21.7	22.3

Post Retirement Mortality	2025	2024
Females		
Pensioner member aged 65 at accounting date	23.6	23.8
Active member aged 45 at accounting date	24.7	25.2



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## LGPS Fund – Reconciliation of funded status to the Statement of Financial Position

	Value at 30/09/2024	Value at 31/03/2024
	£'000	£'000
Fair value of assets	0	42,870
Present value of funded liabilities	0	(26,920)
<b>Funded Status</b>	<b>0</b>	<b>15,950</b>
Unrecognised asset	0	(15,950)
<b>Net pension asset/(liability)</b>	<b>0</b>	<b>0</b>

The split of the liabilities at the last valuation between the various categories of members is as follows:

Active members	25%
Deferred members	17%
Pensioners	58%

## LGPS Fund – Amounts recognised in the Statement of Comprehensive Income

	Period ending 30/09/2024
	£'000
Operating cost	
Current service cost	180
Past service cost	170
Settlement Cost	17,430
<b>Financing cost</b>	
Interest on net defined benefit asset before restriction	(380)
Interest on unrecognised asset	380
<b>Pension expense recognised in surplus for the year</b>	<b>17,780</b>



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## LGPS Fund – Amounts recognised in other comprehensive income

	Period ending 30/09/2024
	£'000
Asset losses arising during the year	(260)
Liability gains arising during the period	2,220
Adjustment gain due to restriction of surplus	16,330
<b>Total amount recognised in other comprehensive income</b>	<b>18,290</b>

## LGPS Fund – Changes to the present value of defined benefit obligations

	Period ending 30/09/2024
	£'000
Opening defined benefit obligation	26,920
Current service cost	180
Interest expense on defined benefit obligation	630
Contributions by participants	30
Actuarial gains due to changes in financial assumptions	(1,190)
Actuarial gains due to changes in demographic assumptions	(200)
Actuarial gains due to liability experience	(830)
Net benefits paid out	(1,000)
Past service cost	170
Settlements	(24,710)
<b>Closing defined benefit obligation</b>	<b>-</b>



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## LGPS Fund – Changes to the fair value of assets

	Period ending 30/09/2024
	£'000
Opening fair value of assets	42,870
Interest income on assets	1,010
Remeasurement gains on assets	(260)
Contributions by participants	30
Contributions by the employer	120
Contributions by the employer – early retirement contributions	170
Exit credit	(800)
Net benefits paid out	(1,000)
Settlements	(42,140)
<b>Closing fair value of assets</b>	<b>-</b>

## LGPS Fund – Actual return on assets

	Period ending 30/09/2024
	£'000
Interest income on assets	1,010
Remeasurement loss on assets	(260)
<b>Actual return on assets</b>	<b>750</b>



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The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation (before settlement) as at 30 September 2024 is set out below.

In each case, only the assumption mentioned is altered; all other assumptions remain the same and are summarised in Section 1. We have not included sensitivity of unfunded benefits (where applicable) on materiality grounds.

### LGPS Fund – Sensitivity analysis

The principal assumptions used by the actuary in updating the latest valuations of the LGPS Fund for FRS 102 purposes were:

Discount rate assumption			
Adjustment to discount rate	+0.1% p.a.	Base	-0.1% p.a.
Present value of total obligation (£m)	24.34	24.71	25.08
% change in present value of total obligation	-1.50%		1.50%

Rate of general increase in salaries			
Adjustment to discount rate	+0.1% p.a.	Base	-0.1% p.a.
Present value of total obligation (£m)	24.73	24.71	24.69
% change in present value of total obligation	0.01%		-0.1%

Discount rate assumption			
Adjustment to discount rate	- 1 year	Base	+1 year
Present value of total obligation (£m)	25.33	24.71	24.09
% change in present value of total obligation	2.50%		-2.50%





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### 25. Capital commitments

	2025 - £'000	2024 - £'000
Capital expenditure contracted but not provided for in the financial statements	13,775	12,310
Capital expenditure authorised by the Board but not contracted	12,413	11,528

### Funding

The capital commitments above relating to development will be funded by existing loan facilities as detailed in note 19, and by Social Housing Grant (SHG). Improvement works will be funded through rental receipts and Capital Grants.

### 26. Other financial commitments

At 31 March 2025 the total future minimum lease payments under non-cancellable operating leases are as follows:

	2025 - Land and Buildings £'000	2025 - Other £'000	2024 - Land and Buildings £'000	2024 - Other £'000
<b>Payments due:</b>				
Within one year	176	100	176	526
Between one and five years	291	243	466	451
After five years	-	-	-	-
	<b>467</b>	<b>343</b>	<b>642</b>	<b>977</b>



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### 27. Financial instruments

	Group	Association	
Financial Assets carried at amortised cost	2025 - £'000	2025 - £'000	2024 - £'000
Gross rent and service charge arrears	2,071	2,071	2,413
Trade Debtors debtors	869	763	282
Cash and cash equivalents	14,671	14,021	14,684
	<b>17,611</b>	<b>16,855</b>	<b>17,379</b>

	Group	Association	
Financial Liabilities carried at amortised cost	2025 - £'000	2025 - £'000	2024 - £'000
Trade Creditors	4,446	3,550	3,942
Other taxation and social security costs	168	168	32
Rent and service charges received in advance	847	847	756
Interest bearing loans	80,000	80,000	70,000
Loan transaction fees	(1,079)	(1,079)	(1,162)
	<b>84,382</b>	<b>83,486</b>	<b>73,568</b>



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## 28. Housing stock

Number of units in management	2025 - Number	2024 - Number
<b>Housing accommodation for letting:</b>		
General housing – Social rents	5,909	5,827
General housing – Intermediate rents	46	46
General housing – Market rents	–	–
Supported, Sheltered and Extra-Care housing	199	199
<b>Total rented</b>	<b>6,154</b>	<b>6,072</b>
<b>Other units:</b>		
Home Buy	12	13
Right-to-buy leases	641	688
Garages	816	818
Commercial Property leases (less than 21 years)	28	33
Commercial Property leases (21 years or more)	21	21

## 29. Related Parties

A member of the Valleys to Coast management team sits on the Board of Bridgend College. All transactions with the organisation were at arm's length and at market rates. Valleys to Coast incurred £5,905 of expenditure in relation to services provided by Bridgend College. The balance at year end was £nil.

A Valleys to Coast Board member works for Savills UK Limited. All transactions with the organisation were at arm's length and

at market rates. Valleys to Coast incurred £41,340 of expenditure in relation to services provided by Savills UK Limited. The balance at year end was £nil.

One of the Board members who held office during the year is also a customer. The tenancies are on normal commercial terms and the Board members cannot use their position to their advantage. None of the Board members who held office during the year are leaseholders.

One of the Board members who held office during the year is a Director and Shareholder of Redhead Audio Visual Limited.

Valleys to Coast, along with Bron Afon Community Housing Ltd, Cynon Taf Community Housing, Merthyr Valleys Homes Limited and Tai Tarian Limited participate in a Members Agreement with Barcud Shared Services Limited for the provision of internal audit services.



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The Members each own a 20% share in Barcud Shared Services Limited which is overseen by a Board made up of the Company's Members and is also open to new Members. Transactions with this entity amounted to £199,364 during the financial year. The balance at year end was £0.

### 30. Establishment of the association

Valleys to Coast Housing Ltd is a Registered Society with charitable rules under the Co-operative and Community Benefit Societies Act 2014 (Registration Number 30205R). Its activities are regulated by the Welsh Government as a Registered Social Landlord under the Housing Association Act 1985 (Registration Number L137).

### 31. Contingent liabilities

#### Social Housing Pension Scheme (SHPS)

Valleys to Coast has been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest.

It is recognised that this could potentially impact the value of Scheme liabilities, but

until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

#### Renting Homes (Wales) Act 2016

In March 2024, the Association became aware that it may not have been fully compliant with potential legal obligations arising under the Renting Homes (Wales) Act 2016 ("the Act") and the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022 (as amended) ("the Regulations") during the year ending 31 December 2024.

On identification of the issue, immediate steps were taken to ensure full compliance with legal obligations as the Association is currently able to understand them. There is an ongoing claim in the High Court brought by a number of other Registered Social Landlords to seek a series of declarations as to the correct meaning and interpretation of the potential obligations.

The Association has assessed that the likelihood of an outflow of resources to settle this potential liability following the legal proceedings is less than probable but, acknowledging the inherent uncertainty with such legal proceedings, is more than remote.

A high level of uncertainty remains because the interpretation of the requirements under the Act and Regulations needs clarification which will only be possible following determination of the proceedings that are currently before the High Court, hence any financial effect cannot currently be measured with sufficient reliability at this time. A high level of uncertainty also exists regarding whether there is any possibility of reimbursement. Any such consideration can only follow the resolution of the above matter.

#### LGPS Exit Credit

Valleys to Coast has been notified that following the exit of the LGPS pension fund, the fund was in surplus of £13.4m. Valleys to Coast has been granted £0.8m of this as an exit credit which is included within the financial statements at 31st March 2025. Valleys to Coast is appealing the decision to return £0.8m. This will not be resolved until after the signing of the Financial Statements.



# Thank you for reading

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