Cardiff Community Housing Association Limited

Co-operative and Community Benefit Societies
Registered number: 21667R

Welsh Government registration number: L035

Financial statements

for the year ended 31 March 2026

Cardiff Community Housing Association Limited

Contents

Cardiff Community Housing Association Limited

Board of Management, Senior Executives and Advisors

Board of Management (Voting members):

Ms J Beauchamp	(Chair)
Ms E Britton	
Ms V Nawathe	
Mr S Rooks	(Vice Chair)
Mr A Singh	
Ms D Ketter	
Ms K Chamberlain	
Mr N Harries	
Ms O Owolabi	
Ms F Ahmed	
Mrs L Howells	
Mr D Parry	(appointed 8th December 2025)

Independent member of the Audit Committee (Non-voting)
Mrs L Laugharne

Senior Executives

Mr B Pickett	Chief Executive
Mrs N Morgan	Deputy Chief Executive
Mr A Bradley	Corporate Director - Assets and Property
Ms K Ellis	Corporate Director - Housing and Communities

Registered Office
Tolven Court
Dowlais Road
Cardiff
CF24 5LQ

External Auditors
Bevan Buckland Audit Limited
Cardigan House, Castle Court
Enterprise Park
Swansea
SA7 9LA

Principal Bankers
Barclays Bank plc,
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GN

Internal Auditors
Forvis Mazars LLP
First Floor, Two Chamberlain Square
Birmingham
B3 3AX

Strategic report

I am pleased to reflect on another positive year for CCHA. Despite a challenging operating environment, we have continued to balance our priorities and make meaningful progress for our staff, tenants and communities. We delivered a strong financial performance, exceeding both budget and forecasts as well as improvements year on year.

Across the year, we continued to work towards the key themes set out in our Corporate Strategy:

- Caring Landlord
- Community Champion and Anchor
- Employer of Choice
- Exceptional developer of affordable homes
- A well-run, sustainable and financially strong business

Our 2025-26 budget remained focused on the priorities that support safe, high-quality homes. Compliance continued to be a key area of attention, with more than £1.3 million invested in fire, gas and water safety, alongside electrical and asbestos testing. This investment reflects our ongoing commitment to keeping our homes safe.

We have now completed all fire safety remediation works across our medium- and high-rise buildings. With support from Welsh Government funding, this programme has helped ensure that these homes continue to meet high safety standards.

We continued to invest in our existing homes, with more than £9 million spent overall (inclusive of grants), with circa £3 million through our planned investment programme, providing new kitchens, bathrooms, roofs, windows and doors for many tenants. Our retrofit programme also made good progress, with 44 homes benefiting from Welsh Government funding to improve energy efficiency, reduce carbon emissions and help lower household energy costs.

We utilised £413 thousand of Physical Adaptation Grants from Welsh Government to undertake essential modifications to homes to improve accessibility for our tenants.

Our portfolio of homes has grown again with the addition of a further 69 new homes across Cardiff during the year. Development expenditure totalled nearly £33 million in the 12 months to 31 March 2026 and included a combination of new-build schemes, such as Braunton Crescent, the purchase of existing homes from the open market, and land banking for future homes, all supported by Welsh Government grant funding.

This balanced approach helps us respond flexibly to housing need while maintaining value for money. As part of this development expenditure, a number of homes remain under construction and are due for handover in 2026-27, including 24 homes at Albert Quarter (previously known as Moira Terrace) and 58 at our St Johns College site.

One of the most rewarding parts of my time as a Board member and Chair has been visiting the new homes we have delivered and seeing the positive difference they have made to the individuals and families who now live in them. I am proud of the contribution CCHA has made towards addressing housing need in Cardiff by providing high-quality homes across the city. Our staff continue to be one of our greatest strengths, and our focus on development and internal progression has had a positive impact this year. Around a 34 of colleagues moved into new roles or were promoted, taking on greater responsibility and benefiting from increased pay.

Many colleagues also completed additional qualifications, including 23 through funded courses delivered by Gower College and a further 8 through our self-development fund. This annual fund supports staff to undertake professional qualifications and training. Through this investment, we are continuing to build a workforce with strong organisational knowledge and a deeper understanding of the communities we serve and our tenants' needs.

We are in the midst of a business transformation project with a goal to digitally transform the organisation over multiple phases. We intend to achieve this by replacing our existing archaic systems and moving to more modern, intuitive and cloud-based technologies. These systems will enable easier access for staff whether working remotely or within the community and will support the delivery of improved customer services to tenants.

We also continued to host our two well-established diversity programmes, Pathway To Board and Get into Housing, in partnership with a number of other Registered Social Landlords.

During the year, our team secured external grant funding from Welsh Government and from CHIP, the charitable arm of the Communities and Housing Investment Consortium. This support will help us continue our work to strengthen diversity and inclusion across the housing sector and beyond.

Our treasury strategy remained sound throughout the year. We maintained a balanced mix of fixed and variable interest rates across our loan portfolio to help manage the risks associated with higher interest rates. During the year, we secured a new loan facility with Barclays and a £10 million low-cost development loan from Welsh Government, strengthening our liquidity and supporting our future development pipeline.

I joined the Board in 2017 and am now stepping down. Over the years, I have had the privilege of working alongside Board members who have remained deeply committed to CCHA's vision and values. I would like to offer my sincere thanks to the Board members I have worked with over the past nine years for their support, and also to the staff and executive teams. Throughout this time, you have consistently kept tenants at the heart of all we seek to achieve.

During my time with CCHA, I have had the opportunity to meet tenants from across our communities, to listen to their experiences, discuss the services we provide and hear where we can continue to improve. These conversations have reinforced for me the value of being a community-based landlord. I have also seen the positive relationships many tenants have built with the organisation and our staff, and this is reflected in the results of this year's STAR survey.

Throughout my time on the Board at CCHA, our purpose has remained clear. CCHA is a steady and well-managed organisation with strong underlying financial health. That resilience gives me confidence as I hand over the role of Chair of the Board to my successor, Neil Harries and wish all the best to CCHA for the future.

Janet Beauchamp
Board Chair
8 July 2026

Cardiff Community Housing Association Limited

Annual Governance Statement/Internal Audit Control

Corporate Strategy

The Board continued its strategic direction of the organisation in 2025/26. During this period we continued implementing our Corporate Strategy 2024 – 2027 plan. The Corporate Strategy operates within the business framework which the Board has set. Our strategy is split into the following strategic headings:

- **A Caring Landlord –** We are committed to embodying our values in everything we do, ensuring our tenants 'feel' that we care. This means providing quality homes that are safe and affordable and delivering seamless, exceptional service.
- **A Community Champion and Anchor Organisation** – We want our communities to know that we are committed to investing in our heartlands and amplifying the voices of community members.
- **An Employer of Choice –** We want our current and potential employees to see us as a great employer and recommend us to others.
- **An Exceptional Developer of Affordable Homes** – We want families to love moving into their new home.
- **A Well Run, Sustainable, Financially Strong Business** – We want an organisation that is run well and financially strong to pursue its social purpose.

Cardiff Community Housing Association (CCHA) Limited is a community-based housing association whose core business aims are to provide a wide range of high-quality homes and services, supporting and regenerating communities in Cardiff. We will achieve this by:

- Providing great homes and excellent services;
- Understanding the needs of the communities that we serve and be an active advocate for their wellbeing and future;
- Recruiting and retaining a community focussed, diverse workforce who enjoy working as part of the team and act as ambassadors for the organisation;
- Working in partnership to develop new homes that contribute positively to our neighbourhoods and meet the diverse housing needs of the future; and
- Work in partnership to develop and sustain prosperous, resilient communities.

We continued to see a challenging period operationally in 2025/26. The sustained varying levels of inflation seen in 2024/25, continued to present financial challenges for CCHA and our tenants in the year. We continued to work closely with tenants in their homes with ongoing affordability challenges. We helped to apply for and maximise grants for Tenants to ensure they could sustain their tenancies with financial support. We utilised Welsh Government Transitional Capital Programme Grant Funding to acquire and provide much needed additional social housing in Cardiff while bolstering our asset base. These acquisitions will have a positive material impact on our financial budgets for the forthcoming year, allowing us to increase our capital investment in our existing homes. During the year we have continued our focus on improving our structures and services around tenant voice. Firstly, within the Housing and Communities Directorate we formed a dedicated team charged with responsibility for our community offer as well as strengthening how we gain the opinions and asks of tenants. This new team now has a dedicated head of service, independent of both our Property and Core Tenants Services Teams.

Our Board of Management

Strong and effective governance remains the foundation of our success, ensuring that the Board operates the highest levels of probity. During 2025/26 we continued our ‘standard/standard’ (highest) Regulatory Judgement. We did not receive a regulatory grading in the period but maintained ongoing dialogue with the Regulator as part of our co-regulatory engagement and continued to receive routine regulatory oversight from the Regulation team.

During the year we completed the final actions from our Board skills-based needs assessment that took place in 2024/25, welcoming a new Board member following a successful external recruitment exercise and appointing a new Chair of our People and Customer Experience Committee and Remuneration Committee from within the existing Board. We also started the recruitment process for a new Chair of the Board, from within the existing Board, in readiness for the existing Chair’s retirement due in 2026/27.

Board and Committee Decision Making

The Board’s central role is to direct the strategic direction of CCHA’s work and be assured with its ongoing operations. The Board operates a supervisory model which clearly set out standing orders and delegations of authority with reserved matters. This is to ensure a clear divide on the decisions taken by the Board and those taken by the Corporate Leadership Team. We continued to operate clear schemes of delegations establishing a robust control and risk management framework.

During the year we strengthened our formal governance structures, primarily by widening the scope of our Development Committee to now include oversight of asset management. The work of this committee has been further strengthened by the appointment of the new Board Member to this Committee, who is a current Property and Development Director from within the sector, providing further robust challenge based on contemporary practice.

The Board met formally 9 times in 2025/26. The Board’s structure is supported by committees and working groups which includes:

- Audit and Risk Committee;
- Development and Assets Committee;
- Remuneration Committee; and
- People and Customer Experience Committee.

Each committee meets throughout the year to discharge their duties and responsibilities under their terms of reference. Chairs of committees regularly report back on activities within the period.

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Statement of Compliance with our Code of Governance

CCHA have adopted the Community Housing Cymru Code of Governance. The Code reflects the Welsh Social Housing Sector's overall principles for good governance. The Board reviews compliance with the code with ongoing areas of improvement on a comply or explain basis. Our ongoing compliance with the provisions and principles of the Code are set out with a development plan to the Board. We continued to meet our adopted Code of Governance.

Audit and Risk Committee

The Audit and Risk Committee met five times during 2025/26. The Committee provides assurance to the Board on the effectiveness of the risk and internal control frameworks, financial reporting and accounting whilst overseeing the internal and external audit functions. All members of the Committee are independent non-executive members with a diverse range of experience across finance, audit, risk and business. The Committee is appointed by the Board annually and is comprised of at least three Board Members and other independent members as directed by the Board. The Committee continues to be supported by one independent member who acts as an additional independent line of assurance outside of the Board.

The Committee provides oversight and advice to the Board on matters listed within its terms of reference and reports to the board on those areas after each meeting via the Committee Chair. The terms of reference are reviewed at least annually. The areas covered include areas of governance, statutory and legal compliance including health, safety, and fraud. The Committee has the opportunity to hold private discussions with the internal and external auditors without the Management Team being present. Regular one to one meetings are held between the Committee Chair and the Chief Executive and Deputy Chief Executive (Corporate Director for Central Services) to better understand any areas of concern or issues.

The Audit and Risk Committee receive assurance reports from a range of independent external sources as a third line of defence, these include:

- Internal audit reviews and compliance reports based on an agreed annual plan from the Committee, reviewed and linked against our risk management framework; and
- External Auditor's management letters and report.

The internal and external audit contracts continued in 2025/26. Forvis Mazars operated as the appointed provider for the organisation's internal audit service and Bevan Buckland LLP continuing as the external auditor. During the period, the Audit and Risk Committee continued to review the effectiveness of these contracts as part of their arrangements for assessing 'fitness to serve'. A re-tendering of the Internal Audit service took place during the year with new Internal Auditors, Validera Limited, appointed in readiness for the forthcoming financial year.

Both internal and external audit providers undertake their work in accordance with a plan approved annually by the Audit and Risk Committee. These plans incorporate the overall risk management framework and match planned and emerging risks throughout the year.

This continues to ensure that the Audit and Risk Committee can adapt its sources of assurance as risks emerge.

Internal Control

The Board is responsible for ensuring our business operates effectively in achieving its objectives. It is the Boards overall responsibility to ensure that the organisation has a system in place that identifies and manages risks. This includes effective internal control systems and procedures to minimise the loss through fraud, corruption, errors and mismanagement.

To support the Board in fulfilling this responsibility, the Audit and Risk Committee maintains a comprehensive agenda covering audit, risk, assurance, and wider internal controls. It reports its findings and recommendations to the Board. Sources of assurance include:

- Internal audit
  - The Audit and Risk Committee receives, and reviews reports on all key internal controls to ensure they are working efficiently, effectively and being followed across the organisation. This includes controls for the prevention of fraud and irregularities;
  - The Committee considers reports presented and satisfies itself that management has resolved or is in the process of resolving outstanding actions; and
  - Reviews and approves ongoing internal audit plans based on current and emerging risks as set out on the risk register.
- Internal Controls and Risk Management
  - The Committee reviews the effectiveness of the Risk Management Framework;
  - Receives regular monitoring and reports of all risk related matters; and
  - Reports are set out within the overall three lines of defence risk model to demonstrate how strategic risk are being managed.
- Financial reporting
  - The Committee reviews reports from the external auditors and other external assurance sources on areas where assurance is required; and
  - Reviews and discusses financial statements, considering accounting judgements and policies applied and assesses the findings of the statutory audit and the integrity of financial reporting made to the Board throughout the year.
- External Audit
  - The Committee reviews the proposed audit plans including key audit risks, audit reports on financial statements and any other relevant areas of focus.

The Audit and Risk Committee has overseen the conclusion of the internal and external audit plan. Working closely with internal and external auditors the Committee carefully monitors the progress of the internal and external audit function.

The Board has strategies in place for preventing, detecting and the recovery of assets of the association with:

- Fraud and corruption;
- Bribery; and
- Money laundering.

Risk assessments associated with these strategies are reviewed and suspected irregularities are reported to the Audit and Risk Committee.

CCHA has received the internal audit annual report which highlighted a range of key control checks, data integrity checks and standalone audits. The following audits were undertaken during the 2025/26:

Gas Servicing
Electrical Safety
Responsive Repairs
Data Integrity
Key Controls Health Checks (2)
Follow Up Audits (2)

As in previous years, no critical recommendations were raised. We achieved a 100% implementation rate for recommendations, exceeding the 85% best practice benchmark.

Risk Management

Managing risk is integral if we are to operate in an effective, safe, and dutiful manner. 2025/26 continued to present a challenging operating risk environment. The Regulatory Framework from the Welsh Government, details requirements for the Board to understand the risks facing the organisation and to clearly demonstrate that there are effective controls in place to manage them. This requirement was achieved via delegations to the Audit and Risk Committee with regular reports to the Board.

Effectively managing Risk

We operate a formal Risk Framework which is approved by the Board. This framework articulates the risk appetite of the Board and places clear responsibility for risk management with the Board.

We operate a three lines of defence model. This is carried out by:

- First line of assurance;
  - Day to day management of risks in line with the Risk Framework and set risk appetite by the Board;
  - Operationally identifying, assessing and responding to risk identification
  - Defining, implementing, reviewing and monitoring key controls; and
  - Day to day activities supported by supervision and management with set policies, procedures and processes.
- Second line assurance
  - Ensuring that adequate first line management is in place with management supervision;
  - Quality checks and reviews of systems, controls and other processes

  - Business data and performance information;
  - Provide advice and guidance to challenge business units on their management of risk; and
  - Governance team coordination of risk management with planned and ad hoc reviews of risk to ensure they are being managed within the overall framework and risk appetite.
- Third Line assurance
  - Driven by internal and external audit, and other independent specialist third party organisations;
  - Conduct controls testing across the first and second lines of defence;
  - Review risks by reviewing key controls as set out; and
  - Highlight areas of risk

The three lines of defence provide objective assurance to management which enables effective risk management. This is driven with an annual programme of reviews which highlight areas of control improvement identifying risks that are not being managed effectively.

The Corporate Leadership Team led by the Chief Executive, leads on risk management at an operational level. The Board has delegated its responsibility for the monitoring and scrutiny of risk management issues with the Audit and Risk Committee. We believe that an acceptable level of risk exposure is to not:

- Damage the capacity of the organisation to exist into the future, and does not significantly impede its financial or operational viability;
- Materially damage the relationship with its tenants or the tenant/service user experience; and
- Significantly impact on the good reputation of CCHA overall.

The Board’s risk appetite is central to the core elements of the Risk Management Framework which link into corporate decision making. The risk appetite statement was re-affirmed in 2025. This is outlined in the table below.

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Boards Risk Statement						
		Risk Descriptors				
Risk Theme	**Risk Area**	**Averse**	**Cautious**	**Balanced**	**Open**	**Bold**
Growth	Financial and Treasury Management					
	Commercial Property Acquisitions					
	Pipeline of Development Projects					
	Development					
	Merger					
Legal & Regulatory	Asset (Property) Health and Safety Compliance					
	Legal					
	Regulatory compliance					
Diversification of services & growth in current services	New Commercial Business Ventures					
	Supported Housing including Hostel					
	Extra Care					
	Care					
Operations	Customer Services					
	Being a Caring Landlord					
	Reputation and perception of CCHA					
	People/Workforce					
	Environmental					
	Organisational Strategy					
	Technology – Driving Business Continuity					

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Key Strategic Risks in 2025/26

Key strategic risks at the year-end which were subject to further scrutiny are detailed below:

- Cyber security breach – (including Malware/hack/social engineering) leading to business continuity issues, loss of assets and financial fraud;

- Not effectively listening to the tenants' voice and integrating this into decision making;

- Causing serious harm or neglect to a tenant, supplier or 3rd party;

- Causing serious harm or neglect to Staff;

- Failure to achieve Welsh Government WHQS2 and wider decarbonisation standards; and

- Project Risk: Heat Network Regulations.

Going concern

The Board ensures all significant decisions are taken in accordance with CCHA's rules, governing documents policies and procedures. In preparing financial statements Board members have reviewed the Association's plans and have received assurances the Association has adequate resources to continue to operate for the foreseeable future. Whilst maintaining our highest level of regulatory judgement this endorsement externally assesses the Association's ability to meet its future challenges. The annual financial statements are prepared on a going concern basis.

Overall assessment

Based on the assessment within the Annual Governance and Statement of Internal Control the Board can conclude we have appropriate arrangements in place to give us assurance on the adequacy of the governance, internal controls and risk management frameworks operated at CCHA.

Viability

The Board has undertaken an assessment of the future financial prospects of the Association and its current and future risks. During the period, the Board were presented with robust stress testing of our financial business plan which involved several assumptions and scenarios.

Risk management as outlined is carried out in a structured approach to ensure that all risks are adequately and regularly reviewed by the Board, subject to delegations with the Audit and Risk Committee.

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The Board operates a set of financial golden rules which enables the Board to maintain further controls against key financial areas.

Statement of Board of Management responsibilities

The Board of Management is responsible for preparing the financial statements in accordance with applicable laws, financial reporting standard FRS102 and the statement of recommended practice for registered housing providers.

The Co-operative and Community Benefit Societies Act 2014 requires the Board of Management to prepare financial statements for each financial year that give a true and fair view of the position of the Association and of the surplus/deficit of the Association for that period. The Board are responsible for internal controls to the extent that they determine necessary to enable the preparation of financial statements that are free from material mismanagement, whether due to both fraud or error. The Board has general responsibility for taking such steps as are reasonably open to it to enable the safeguarding of the Association and to prevent and detect fraud and other irregularities. In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and the Statement of Recommended Practice (Accounting by Registered Housing Associations) have been followed, subject to any material departures disclosed in the financial statements; and
- Prepare the financial statements on a going-concern basis unless it is inappropriate to presume the Association will continue in business.

The Board of Management is responsible for keeping proper records that disclose, with reasonable accuracy at any time, the financial position of the Association to enable the external auditors to ensure that the financial statements comply with the relevant housing association legislation.

Disclosure of information to Auditors

At the date of approval of this report the Board have confirmed:

- As far as Board members are aware, there is no relevant audit information of which the Association's auditors are unaware; and
- Board members have taken all steps they ought to have taken to make themselves aware of all relevant audit information and to establish that the Association's auditor is aware of that information.

Annual General Meeting

The Annual General Meeting (AGM) will take place on 7th August 2026.

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At this meeting, the Association’s 2025/26 Annual Report and Accounts will be presented for adoption along with a proposal to re-appoint Bevan and Buckland as external auditors to Cardiff Community Housing Association Limited.

The auditor, Bevan Buckland, previously traded through the legal entity Bevan Buckland LLP, following a restructure and regulatory changes, Bevan Buckland LLP ceased to hold an audit registration with the engagement transitioning to Bevan Buckland Audit Ltd.

This report was approved for the issue by the Board on 8 July 2026 and signed on its behalf by:

Janet Beauchamp
Board Chair
8 July 2026

Cardiff Community Housing Association Limited

Board/Committee Members

The following table shows attendance at meetings for which board and committee members were in post.

Name	Start Date	Retirement Date	Board	ARC	PACE	Rem	Dev
Ms J Beauchamp			**9/9**				
Ms E Britton			**6/9**		**2/3**	**1/1**	
Ms V Nawathe			**9/9**	**5/5**			**5/6**
Mr S Rooks			**9/9**				**6/6**
Mr A Singh			**7/9**	**4/5**	**3/3**	**1/1**	
Ms D Ketter			**8/9**		**3/3**	**1/1**	
Ms K Chamberlain			**9/9**	**5/5**			**5/6**
Mr N Harries			**9/9**	**5/5**			
Ms O Owolabi			**8/9**				**6/6**
Ms F Ahmed			**6/9**	**5/5**		**1/1**	
Mrs L Howells			**8/9**		**0/3**		**5/6**
Mr D Parry	08/12/25		**4/4**				**2/2**
Independent member of the Audit and Risk committee							
Mrs L Laugharne				**4/5**			

Key:
ARC – Audit and Risk Committee
PACE – People and Customer Experience Committee
Rem – Remuneration Committee
Dev – Development and Assets Committee

Board Rates of Pay and expenses reimbursed

Role	£ per annum
Chair of the Board	10,000
Board member and Chair of the Audit and Risk Committee	6,000
Vice Chair and Chair of the Development Committee	8,000
Board member and Chair of the People and Culture Committee and Chair of the Remuneration Committee	6,000
Board member	4,000
Independent ARC member	2,000
Total Board/Committee expenses reimbursed	887

Cardiff Community Housing Association Limited

Independent auditor's report to the members of Cardiff Community Housing Association on corporate governance

In addition to our audit on the financial statements for the year ended 31 March 2026, we have reviewed the Board's statement of Cardiff Community Housing Association (“the Association”) 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 Association's corporate governance procedures or its internal financial control.

Opinion

With respect to the Board's statement on internal controls assurance on pages 9 to 10, 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.

Bevan Buckland Audit Ltd

Bevan Buckland Audit Limited
Chartered Accountants & Statutory Auditors
Cardigan House, Castle Court
Enterprise Park
Swansea
SA7 9LA

Date: 8 July 2026

Cardiff Community Housing Association Limited

Independent auditor's report to the members of Cardiff Community Housing Association

We have audited the financial statements of Cardiff Community Housing Association for the year ended 31 March 2026 which comprise the statement of comprehensive income, the statement of changes in reserves, the statement of financial position, the cash flow statement and its related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

In our opinion the financial statements:

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

Basis for Opinion

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

Conclusions relating to going concern

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

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

Other Information

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

Independent auditor's report to the members of Cardiff Community Housing Association (continued)

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

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

Responsibilities of the board
As explained more fully in the Statement of Responsibilities of the Board (set out on page 14), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent auditor's report to the members of Cardiff Community Housing Association (continued)

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 company's policies and procedures relating to:
  - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas;
  - Purchasing in relation to the development and maintenance programmes, including any sales to connected individuals at below market value;
  - The recognition of development and maintenance expenditure in the correct period;
  - The rationale of any major fund flows during the period;
  - The potential of rent fraud arising as a result of collusion between the asset and housing teams.
- obtaining an understanding of the legal and regulatory frameworks that the company 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 association, 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

Independent auditor's report to the members of Cardiff Community Housing Association (continued)

relationships that may indicate risks of material misstatement due to fraud;

- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

Bevan Buckland Audit Ltd

Bevan Buckland Audit Limited
Chartered Accountants & Statutory Auditors
Cardigan House, Castle Court
Enterprise Park
Swansea
SA7 9LA

Date: 8 July 2026

Cardiff Community Housing Association Limited

Statement of Comprehensive Income
For the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Turnover	3	27,813	24,377
Operating expenditure	3	(22,058)	(19,810)
Loss on fixed asset investments	4	(1)	(2)
Operating surplus		5,754	4,565
Interest receivable	6	349	793
Interest and financing costs	5	(2,261)	(2,485)
(Deficit)/Surplus on revaluation of investment properties	13	(192)	86
Surplus for the year		3,650	2,959
Actuarial gain in respect of pension schemes	25	183	80
Total comprehensive income for the year		3,833	3,039

Cardiff Community Housing Association Limited

Statement of Financial Position at 31 March 2026

	Note	2026 £'000	2025 £'000
Fixed assets			
Intangible fixed assets	**10**	**588**	195
Housing properties	**11**	**266,508**	229,130
Fixed asset investments	**13**	**8,851**	8,293
Other property, plant and equipment	**12**	**8,073**	8,171
		284,020	245,789
Current assets			
Stock	**14**	**110**	121
Debtors	**15/16**	**13,047**	6,361
Investment	**17**	**10,000**	15,040
Cash		**2,384**	3,762
		25,541	25,285
Current liabilities			
Creditors: amounts falling due within one year	**18**	**(16,416)**	(22,674)
Social housing and other government grants: amounts falling due within one year	**22**	**(2,838)**	(1,989)
Net current assets		**6,287**	622
Total assets less current liabilities		**290,307**	246,411
Creditors: amounts falling due after more than one year	**19**	**(98,097)**	(81,351)
Social housing and other government grants: amounts falling due after more than one year	**22**	**(145,786)**	(121,779)
Provisions for liabilities	**24**	**(124)**	(185)
Provisions for pensions	**25**	**(1,029)**	(1,658)
Total net assets		**45,271**	41,438
Capital and reserves			
Share capital		**-**	-
Revenue reserve		**45,228**	41,395
Restricted reserve		**43**	43
Total reserves		**45,271**	41,438

The financial statements of Cardiff Community Housing Association Limited were approved by the Board of Management on the 8 July 2026 and signed on its behalf by:

J Beauchamp	**S Rooks**	**N Morgan**
Chair of Board	**Vice Chair of Board**	**Secretary**

Cardiff Community Housing Association Limited

Statement of Changes to Reserves
for the year ended 31 March 2026

	Revenue reserve £'000	Restricted reserve £'000	Total £'000
At 1 April 2025	41,395	43	41,438
Surplus for the year	3,650	-	3,650
Actuarial gain in respect of pension schemes	183	-	183
At 31 March 2026	**45,228**	**43**	**45,271**

	Revenue reserve £'000	Restricted reserve £'000	Total £'000
At 1 April 2024	38,356	43	38,399
Surplus for the year	2,959	-	2,959
Actuarial loss in respect of pension schemes	80	-	80
At 31 March 2025	**41,395**	**43**	**41,438**

Cardiff Community Housing Association Limited

Statement of Cash Flows
for the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Net cash generated from operating activities	**27**	**10,273**	6,753
Cash flows from investing activities			
Purchase of fixed assets	**11**	**(33,751)**	(18,047)
Component Replacements	**11**	**(9,433)**	(6,955)
Purchase of investment properties	**13**	**(508)**	(110)
Grants received		**9,666**	19,448
Interest received	**6**	**349**	793
Net cash flows from investing activities		**(33,676)**	(4,871)
Cash flows from financing activities			
Interest paid	**5**	**(2,179)**	(2,382)
New secured loans		**23,806**	265
Repayments of borrowings		**(4,495)**	(1,815)
Arrangement fees		**(147)**	-
Net cash flows from financing activities		**16,985**	(3,932)
Net (decrease)/increase in cash and cash equivalents		**(6,418)**	(2,050)
Cash and cash equivalents at 1 April		**18,802**	20,852
Cash and cash equivalents at 31 March		**12,384**	18,802

Cardiff Community Housing Association Limited

Statement of Free Cash
For the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Net cash generated from operating activities	**27**	**10,273**	6,753
Cash flows from investing activities:			
Interest paid		**(2,179)**	(2,382)
Interest received		**349**	793
		(1,830)	(1,589)
Adjustments for existing properties:			
Component replacements	**11**	**(9,433)**	(6,955)
Component replacement grant received	**22**	**6,629**	3,749
Purchase of other replacement fixed assets		**(822)**	(140)
		(3,626)	(3,346)
Free cash generated/(expended) before loan repayments		**4,817**	1,818
Repayments of borrowings		**(4,495)**	(1,815)
Free cash generated/(expended) after loan repayments		**322**	3

Notes to the financial statements
For the year ended 31 March 2026

1. Legal Status

The Association is registered under the Co-Operative and Community Benefit Societies Act 2014 and is a registered social landlord. The Association has adopted charitable rules.

2. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

The financial statements have been prepared under the historical cost convention. This is modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The statements 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 Registered Social Landlords General Determination (Wales) 2015. Cardiff Community Housing Association is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed ‘PBE’ in FRS 102.

Property, plant and equipment - housing properties

Housing properties are stated at cost less depreciation and accumulated impairment losses. Cost includes the acquisition of land and buildings, development costs and associated fees.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight line basis, over their useful economic lives. Freehold land is not depreciated.

Major components

Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates:

Structure -	new house	150 years
Structure -	new flat	100 years
Structure -	refurbished house	100 years
Structure -	refurbished flat	50 years
Roofs		65 years

Notes to the financial statements
For the year ended 31 March 2026

Doors	22 years
Windows	30 years
Kitchens	15 years
Bathrooms	22 years
Boilers	15 years
Boiler plant	25 years
Heating systems	15 years
Lifts	25 years
Disabled Adapted Works	10-27 years
Flooring	10 years
PV panels	25 years

Properties held on long leases are depreciated over their estimated useful economic lives or the lease duration if shorter.

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 that do not replace a component or result in an incremental future benefit are charged as expenditure 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 Association 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.

Non-housing property, plant and equipment

Non-housing property, plant and equipment is stated at historic 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. The rates and methodology of depreciation are shown below:

Freehold offices	50 years
Leasehold land and buildings	50 - 125 years
Furniture, fixtures & fittings	10 years
Telephone system	4 - 10 years
Vehicles	25% reducing balance
Computer equipment	4 - 6 years

Notes to the financial statements
For the year ended 31 March 2026

Investment properties and low cost home ownership (LCHO)

The classification of properties as investment property or property, plant and equipment is based upon the intended use of the property. Properties held to earn commercial rentals or for capital appreciation or both are classified as investment properties. Properties that are used for administrative purposes or that are held for the provision of social housing are treated as property plant and equipment. Mixed use property is separated between investment property and property, plant and equipment.

Land is accounted for based on its intended use. Where land is acquired speculatively with the intention of generating a capital gain and/or a commercial rental return it is accounted for as investment property. Where land is acquired for use in the provision of social housing or for a social benefit it is accounted for as property, plant and equipment.

Investment properties are measured at fair value annually with any change recognised in surplus or deficit in the Statement of Comprehensive Income.

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 3-6 years

Impairment of social housing properties

Social housing properties are sensitive to potential changes in value that may lead to impairment. In accordance with FRS102 the association carries out an annual impairment review assessing the future value taking into account the current level of demand for properties, the level of void losses, projected discounted cash flows and ongoing maintenance costs.

Loans and bonds

Loan arrangement fees are capitalised and then amortised on a straight-line basis over the duration of the loan. Interest is recognised in the statement of comprehensive income on an accruals-basis, including that related to index linked loans where the cash settlement may be deferred.

Where there is a difference between the coupon rate of bonds issued to investors and the effective rate of such issuances, this balance is held as a bond market premium on the balance sheet and spread over the term of the corresponding bonds.

Notes to the financial statements
For the year ended 31 March 2026

Concessionary loans

The Association receives loans at a subsidised rate from Welsh Government. As the Association meets the definition of a public benefit entity, the Association initially measures these loans at the amount received and recognise them in the statement of financial position. Annually the carrying amount of the loan is adjusted to reflect any accrued interest payable.

Social Housing Grant and other government grants

Where grants are received from government agencies such as the Welsh Government, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income. The timing of recognition matches the timing of the related costs. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

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 components. 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.

Grants received from non-government sources are recognised as revenue using the performance model.

Government grants are recognised as revenue when the grant proceeds are received or receivable. Where a grant imposes specified future performance-related conditions it is recognised as revenue when the performance-related conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability. Where government grant is provided for the construction of housing properties within a specific scheme, then the performance related condition is met when the construction of the housing properties is complete.

Notes to the financial statements
For the year ended 31 March 2026

Donation or acquisition of land or other asset at below market value

Where a donation of land and/or other assets is received or land and/or other assets are acquired at below market value from a government source (directly or indirectly), this is accounted for as a non-monetary government grant. The difference between the fair value of the asset donated or acquired and the consideration paid for the asset is recognised as a government grant and included in the Statement of Financial Position as a liability.

Where a donation of land or other assets is received or acquired below their market value from a non-governmental third party the transaction is recognised as an asset in the Statement of Financial Position at fair value. The difference between the amount paid for the asset and the fair value of the asset is recognised as surplus or deficit in the Statement of Comprehensive Income as a donation when future performance-related conditions are met.

Housing Finance Grant

Housing Finance Grant (HFG) is paid by the Welsh Government over a period of thirty years to subsidise the capital and interest costs for the provision of affordable housing. The net present value of HFG receivable over the thirty-year period is recognised as a capital grant and a deferred debtor.

Upon receipt of the grant payments, the debtor decreases by the capital element. The difference between this and the amount of grant received is credited to surplus or deficit in the Statement of Comprehensive Income as a contribution towards the financing cost of that scheme. The discount rate used for the net present value calculations is the same rate of the associated borrowing to fund the housing assets.

The capital grant element of HFG previously received is deemed to be repayable upon disposal of a related housing asset. This is treated as Recycled Capital Grant in the Recycled Capital Grant Fund and included in the Statement of Financial Position as a creditor.

Recycling of grants

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

Notes to the financial statements
For the year ended 31 March 2026

Restricted reserves

Where reserves are subject to an external restriction they are separately recognised within reserves as a restricted reserve. Revenue and expenditure is included in surplus or deficit in the Statement of Comprehensive Income and a transfer is made from the general reserve to the restricted reserve.

Leased assets

At inception the Association assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge using the effective interest rate method. This produces a constant rate of charge on the balance of the capital repayments outstanding.

Operating leased assets

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

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

Notes to the financial statements
For the year ended 31 March 2026

Properties for outright sale

Properties developed for outright sale and land held for sale are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes materials, direct labour and an attributable proportion of overheads based on normal levels of activity.

Interest payable

Borrowing costs are classified as interest and other costs incurred in connection with the borrowing of funds.

The Association participates in both a defined contribution and a defined benefit pension scheme.

Pensions - Defined contribution Scheme

The Association participates in a defined contribution scheme where the amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Pensions - Defined benefit pension scheme: Social Housing Pension Scheme (SHPS)

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

For the SHPS scheme, assets are measured at fair value. Scheme liabilities are measured on an actuarial basis and are discounted at a relevant discount rate. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. A net surplus is recognised only to the extent that it is recoverable by the Association through reduced contributions or through refunds from the plan.

The current service cost and costs from settlements and curtailments (past service costs) are charged against any operating surplus in the current reporting period. Interest is calculated on the net defined benefit liability or asset. Remeasurements are reported in other comprehensive income. The assumptions made are detailed within note 25.

Notes to the financial statements
For the year ended 31 March 2026

Value Added Tax (VAT)

CCHA is partially exempt for VAT purposes. CCHA charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the association 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.

Turnover

Turnover represents rent and service charges receivable net of void loss. It also includes disposal proceeds of current assets such as properties developed for sale or shared ownership first tranche sales at completion together with revenue grants from local authorities, Welsh Government, other public sector bodies and charitable fees and donations. Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Supported housing and other managing agents

The Association has involvement in managing supported housing and similar schemes on behalf of third parties. Where there has been a substantial transfer of the risks and benefits attached to a scheme to a third party, all relevant income and expenditure is excluded from the financial statements.

Investments

Investments are measured at fair value where they are publicly traded or their fair value can be measured reliably. Fair value changes are recognised in the Statement of Comprehensive Income. Other investments are measured at amortised cost less impairment.

Service charge sinking funds and service costs

Unused contributions to service charge sinking funds and over-recovery of service costs repayable to tenants or leaseholders intended to be reflected in reductions to future service charge contributions are recognised as a liability in the Statement of Financial Position.

Where there has been an under-recovery of leaseholders' or tenants' variable service charges in the year, this has been recognised as expenditure in the Statement of Comprehensive income. Debit and credit balances on individual schemes are not aggregated as there is no right of set-off.

Notes to the financial statements
For the year ended 31 March 2026

Financial assets

Financial assets are recognised when the Association becomes a party to the contractual provisions of the instrument. They are derecognised when the contractual rights to the cash flows expire, or when the financial assets and all substantial risks and rewards are transferred.

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.

At the reporting date, the effect of discounting is not material to the value of financial assets of the Association, so discounting is omitted. Provision is made against rent and service charge arrears for both current and former tenants and against sundry debts to the extent that they are considered by management as irrecoverable.

Financial liabilities

Financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument. They are derecognised only when the contractual obligation is extinguished, that is when the obligation is discharged, cancelled or expires.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction cost, and are measured subsequently at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Employee benefits

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Notes to the financial statements
For the year ended 31 March 2026

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.

Significant management judgements

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

Impairment of social housing properties

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

Estimation uncertainty

The Association 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.

Notes to the financial statements
For the year ended 31 March 2026

Provisions

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event. It is probable that the Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

These 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.

Bad and Doubtful Debts

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

Economic Life of Assets

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

Defined Benefit Pension Scheme

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

Management have carefully considered the extent to which a pension asset should be recognised under accounting standards, which require an entity to limit the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit scheme and the asset ceiling, defined to be the present value economic benefits available in the form of refunds from the scheme or reductions to future contributions.

Notes to the financial statements
For the year ended 31 March 2026

Under IFRIC 14, a refund is available to an entity if the entity has an unconditional right to a refund. Management have taken advice to understand the circumstances under which any surplus assets might not be refunded or reduce future contributions and have made the judgement to limit the recognition of the pension asset to £Nil in line with the relevant accounting standards.

Notes to the financial statements
For the year ended 31 March 2026

3. a) Particulars of turnover, operating costs and operating surplus

	2026 Turnover	**2026 Operating costs**	**2026 Operating surplus**
	£'000	**£'000**	**£'000**
Social housing lettings	**27,291**	**(21,275)**	**6,016**
Revenue grants: Other	**93**	**(93)**	**-**
RSL project contributions	**154**	**(171)**	**(17)**
Non-social housing activities:			
Lettings	**211**	**(41)**	**170**
Community centres and community activities	**63**	**(478)**	**(414)**
Total	**27,813**	**(22,058)**	**5,755**

	2025 Turnover	2025 Operating costs	2025 Operating surplus
	£'000	£'000	£'000
Social housing lettings	23,771	(19,019)	4,752
Revenue grants: Other	213	(213)	-
RSL project contributions	124	(143)	(19)
Non-social housing activities:			
Lettings	184	(30)	154
Community centres and community activities	85	(404)	(319)
Total	24,377	(19,810)	4,567

Notes to the financial statements
For the year ended 31 March 2026

3. b) Particulars of income and expenditure from social housing lettings

	General needs and sheltered housing £'000	**Supported housing £'000**	**Other social housing £'000**	**2026 Total £'000**	2025 Total £'000
Income					
Rents receivable	**20,159**	**306**	**-**	**20,465**	19,375
Service charge income	**1,534**	**-**	**-**	**1,534**	1,368
Other Income	**42**	**-**	**187**	**229**	101
Commercial income	**-**	**-**	**507**	**507**	445
Grant income	**2,028**	**-**	**-**	**2,028**	308
Amortised government grant	**2,528**	**-**	**-**	**2,528**	2,174
Turnover from social housing lettings	**26,291**	**306**	**694**	**27,291**	23,771
Expenditure					
Service charge costs	**(1,932)**	**-**	**-**	**(1,932)**	(1,829)
Estate costs	**(134)**	**-**	**-**	**(134)**	(72)
Management	**(5,903)**	**-**	**(187)**	**(6,090)**	(5,958)
Maintenance	**(4,768)**	**-**	**-**	**(4,768)**	(4,617)
Major repairs	**(3,282)**	**-**	**-**	**(3,282)**	(1,682)
Bad debts	**(195)**	**-**	**-**	**(195)**	(319)
Depreciation of housing properties	**(4,379)**	**-**	**-**	**(4,379)**	(3,955)
Other	**(495)**	**-**	**-**	**(495)**	(587)
Operating costs	**(21,088)**	**-**	**(187)**	**(21,275)**	(19,019)
Operating surplus social housing lettings	**5,203**	**306**	**507**	**6,016**	4,752
Memorandum information:					
Void losses				**92**	175

Cardiff Community Housing Association Limited

Notes to the financial statements
For the year ended 31 March 2026

4. Surplus/Loss on disposal of fixed asset investments

	2026	2025
	£'000	£'000
Sales proceeds	**71**	45
Cost of sale	**(72)**	(47)
Loss on disposal	**(1)**	(2)

5. Interest and finance costs

	2026	2025
	£'000	£'000
Bank loans and overdrafts	**2,179**	2,382
Pension interest charges	**82**	103
Total interest payable	**2,261**	2,485

6. Interest receivable

	2026	2025
	£'000	£'000
Bank interest receivable	**349**	793
Total interest receivable	**349**	793

Notes to the financial statements
For the year ended 31 March 2026

7. Operating surplus

Operating surplus before taxation is stated after charging/(crediting):

	2026 £'000	2025 £'000
Housing properties:		
Depreciation	**4,438**	3,955
Amortisation	**(2,442)**	(2,089)
Other:		
Depreciation	**492**	502
Amortisation	**(83)**	(82)
Auditors remuneration		
- In their capacity as auditors	**31**	26
Operating lease rentals		
Land & Buildings	**-**	-
Other Assets	**320**	213

8. Staff costs

	2026 £'000	2025 £'000
Wages and salaries	**6,527**	6,077
Social security costs	**796**	614
Pension costs	**674**	826
Pension past service deficit	**557**	588
	8,554	8,105

Notes to the financial statements
For the year ended 31 March 2026

8. Staff costs – continued.

The full-time equivalent number of key management staff who received emoluments, including pension contribution, in excess of £50,000.

Salary Band (£)	2026	2025
50,000 - 59,999	-	2
90,000 - 99,999	-	1
100,000 - 109,999	2	2
110,000 - 119,999	1	-
120,000 - 129,999	-	1
130,000 - 139,999	1	-
	4	6

The average number of staff employed during the year

	2026	2025
Actual	185	186
Full-time equivalent	175	175

9. Directors' emoluments

The directors are defined as members of the Board of Management and the Senior Executives as listed on page 3.

	2026 £'000	2025 £'000
Aggregate emoluments of executive directors	463	478
Emoluments of highest paid director (and highest paid employee), excluding pension contributions	128	113
Aggregate emoluments of the members of the Board of Management	62	57

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

Notes to the financial statements
For the year ended 31 March 2026

10. Intangible fixed assets

	2026	2025
	£'000	£'000
Cost or valuation		
At 1 April	**929**	894
Additions	**439**	35
Disposals	**-**	-
At 31 March	**1,368**	929
Amortisation		
At 1 April	**734**	701
Charge for the year	**46**	33
Disposals	**-**	-
At 31 March	**780**	734
Net book value		
At 31 March	**588**	195

Notes to the financial statements
For the year ended 31 March 2026

11. Tangible fixed assets – housing properties

	Completed properties £'000	Under construction £'000	Total £'000
Cost or valuation			
At 1 April 2025	267,749	17,033	284,782
Additions	9,433	32,929	42,362
Completed properties	22,340	(22,340)	-
Disposals	(497)	(17)	(514)
Transfer to Investment Properties	(477)	-	(477)
Transfer from current assets	120	-	120
Transfer from Other PPE	-	-	-
Transfer to current assets	(124)	-	(124)
At 31 March 2026	**298,544**	**27,605**	**326,149**
Depreciation			
At 1 April 2025	55,651	-	55,651
Charge for the year	4,438	-	4,438
Eliminated on disposals	(426)	-	(426)
Transfer to current assets	(22)	-	(22)
At 31 March 2026	**59,641**	**-**	**59,641**
Net book value			
At 31 March 2026	**238,903**	**27,605**	**266,508**
At 31 March 2025	212,097	17,033	229,130

Notes to the financial statements
For the year ended 31 March 2026

12. Other property, plant and equipment

	Freehold	Long/short leasehold	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2025	5,795	2,472	4,891	17	13,175
Additions	207	-	176	-	383
Disposals	(42)	-	(27)	-	(69)
Transfer to Housing properties	(19)	-	-	-	(19)
At 31 March 2026	**5,941**	**2,472**	**5,040**	**17**	**13,470**
Depreciation					
At 1 April 2025	1,265	676	3,058	5	5,004
Charge for the year	118	52	277	-	447
Disposals	(11)	-	(24)	-	(35)
Transfer to Housing properties	(19)	-	-	-	(19)
At 31 March 2026	**1,353**	**728**	**3,311**	**5**	**5,397**
Net book value					
At 31 March 2026	**4,588**	**1,744**	**1,729**	**12**	**8,073**
At 31 March 2025	4,530	1,796	1,833	12	8,171

Freehold buildings included within Other property, plant and equipment include the CCHA Head office, Community asset buildings at Loudoun Square and non-residential buildings at Maelfa.

Notes to the financial statements
For the year ended 31 March 2026

13. Fixed asset investments

	Commercial properties £'000	LCHO £'000	OMR Properties £'000	Total £'000
At 1 April 2025	2,456	3,034	2,803	8,293
Additions	-	362	146	508
Transfer from Housing properties	-	-	477	477
Disposals	-	(235)	-	(235)
Transfer	-	(51)	51	-
Revaluations	1	(42)	(151)	(192)
At 31 March 2026	**2,457**	**3,068**	**3,326**	**8,851**

The investments for LCHO represent interest free loans in our Low Cost Home Ownership (LCHO) Scheme for which we retain an equity share in the homes.

Commercial properties which are all freehold, were valued to fair value at 31 March 2026 by an independent valuer with recent experience in the location and class of the investment property being valued. There are no restrictions on the realisability of investment property.

The fair value of the open market rental properties was also valued by an independent valuer with relevant experience at 31st March 2026.

14. Stocks

	2026 £'000	2025 £'000
Materials	**8**	1
Properties for sale	**102**	120
	110	121

Notes to the financial statements
For the year ended 31 March 2026

15. Debtors - Amounts falling due within one year

	2026	2025
	£'000	£'000
Arrears of rent and service charges	**1,960**	1,812
Less: Provision for bad and doubtful debts	**(863)**	(762)
	1,097	1,050
Sundry debtors	**356**	546
Sundry debtors: provision for bad debts	**(182)**	(123)
Grant debtor	**8,956**	2,108
Prepayments and accrued income	**654**	577
Total debtors due within one year	**10,881**	4,158

16. Debtors - amounts falling due in more than one year

	2026	2025
	£'000	£'000
Other debtors	**1,085**	1,122
THFC Interest Reserve Fund	**1,081**	1,081
	2,166	2,203

17. Current asset investments

	2026	2025
	£'000	£'000
Investments	**10,000**	15,040
	10,000	15,040

Notes to the financial statements
For the year ended 31 March 2026

18. Creditors – amounts falling due within one year

	2026	2025
	£'000	£'000
Loan capital repayments	**6,684**	4,223
Rents received in advance	**566**	494
Trade creditors	**3,425**	716
VAT	**-**	21
Other creditors	**2,425**	1,693
Grant in advance	**898**	12,315
Recycled capital grants	**74**	74
Accruals and deferred income	**2,344**	3,138
	16,416	22,674

19. Creditors – amounts falling due after more than one year

	2026	2025
	£'000	£'000
Other creditors		
Loans	**73,536**	66,526
Less loan costs	**(827)**	(724)
	72,709	65,802
WG concessionary loan	**18,172**	8,065
Bond Premium	**7,216**	7,484
	98,097	81,351

Housing loans are secured by specific charges on the Association's housing properties. Rates of interest during the year ranged from 0% to 5.46%. The weighted average rate of interest for 2026 was 3.25% (2025: 3.11%).

At 31 March 2026, 81% (2025 89%) of loans bore interest at fixed rates and 19% (2025 11%) at variable rates.

Rates of interest range from 0% to 5.46% (2025:0% to 6.28%) for WG concessionary loans.

Notes to the financial statements
For the year ended 31 March 2026

20. The loans are repayable as follows:

	2026	2025
	£'000	£'000
Amounts falling due:		
Within one year or less	**6,684**	4,223
Between one and two years	**2,078**	6,057
Between two and five years	**7,757**	6,034
In five years or more	**81,873**	62,500
Total more than one year	**91,708**	74,591
Total housing loans	**98,392**	78,814

21. The recycled grant falls due as follows:

	2026	2025
	£'000	£'000
Within one year or less	**74**	74
Between one and two years	**-**	-
Between two and five years	**-**	-
In five years or more	**-**	-
Total in more than one year	**-**	-
Total recycled grant	**74**	74

Notes to the financial statements
For the year ended 31 March 2026

22. Social housing and other government grants

	Social housing properties £'000	Under construction £'000	Other tangible fixed assets £'000	Total £'000
Gross grant creditor				
At 1 April 2025	155,857	5,282	4,430	165,569
Grant receivable	6,629	20,774	-	27,403
Schemes completed	14,556	(14,556)	-	-
Disposals	(38)	-	-	(38)
At 31 March 2026	**177,004**	**11,500**	**4,430**	**192,934**
Amortisation				
At 1 April 2025	41,002	-	799	41,801
Charge for the year	2,442	-	83	2,525
Disposals	(16)	-	-	(16)
At 31 March 2026	**43,428**	**-**	**882**	**44,310**
Net grant creditor				
At 31 March 2026	**133,576**	**11,500**	**3,548**	**148,624**
At 1 April 2025	114,855	5,282	3,631	123,768

	2026 £'000	2025 £'000
Amounts falling due:		
Within one year or less	**2,838**	1,989
Between one and two years	**2,809**	1,979
Between two and five years	**8,228**	5,794
In five years or more	**134,749**	114,006
In more than one year	**145,786**	121,779
Total grant creditor	**148,624**	123,768

Notes to the financial statements
For the year ended 31 March 2026

23. Other Grants

Welsh Government Physical Adaptation Grants

For Financial year 2025/26, we received Physical adaptation grants totalling £413 thousand in the year. This was allocated between capital (£371 thousand) and revenue works (£42 thousand) and is reflected in the accounts accordingly.

Welsh Government Housing Policy Grant

CCHA were awarded a £85 thousand grant from Welsh Government for the Get into Housing Project, we utilised the full amount which is included within Revenue grants in Note 3.

24. Provisions for liabilities

	Opening Balance £000	Additions £'000	Utilised £'000	Disposals £000	Closing Balance £000
Service charge sinking funds	52	3	-	-	**55**
Dilapidations	12	-	-	-	**12**
Legal costs	64	-	(64)	-	**-**
Service charge	57	-	-	-	**57**
	185	3	(64)	-	**124**

Notes to the financial statements
For the year ended 31 March 2026

25. Defined Benefit Pension Scheme – Social Housing Pension Scheme

Cardiff Community Housing Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028. The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 inclusive. The liabilities are compared, at the relevant accounting date, with the company’s fair share of the Scheme’s total assets to calculate the company’s net deficit or surplus

FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION, AND DEFINED BENEFIT LIABILITY

	2026	2025
	£’000	£’000
Fair value of plan assets	**11,325**	10,538
Present value of defined obligation	**12,354**	12,196
Deficit in plan	**(1,029)**	(1,658)
Defined benefit liability to be recognised	**(1,029)**	(1,658)

Notes to the financial statements
For the year ended 31 March 2026

25. Defined Benefit Pension Scheme – Social Housing Pension Scheme (continued)

RECONCILIATION OF OPENING AND CLOSING LIABILITY

	2026 £'000
Liability as at 1st April 2025	**1,658**
Employer deficit contributions paid per CFS	**(557)**
Additional pension service cost recognised in SoCI	**29**
Interest expense recognised in SoCI	**82**
Actuarial gain in year recognised in OCI	**(183)**
Liability as at 31st March 2026	**1,029**

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period from 31 March 2025 to 31 March 2026 £'000
Defined benefit obligation at start of period	**12,196**
Current service cost	**141**
Expenses	**20**
Interest expense	**710**
Actuarial gains due to scheme experience	**(99)**
Actuarial gains due to changes in financial assumptions	**(275)**
Benefits paid and expenses	**(339)**
Defined benefit obligation at the end of period	**12,354**

Notes to the financial statements
For the year ended 31 March 2026

25. Defined Benefit Pension Scheme – Social Housing Pension Scheme (continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period from 31 March 2025 to 31 March 2026 £'000
Fair value of plan assets at start of period	10,538
Interest income	628
Experience on plan assets (excluding amounts included in interest income	(191)
Employer contributions	689
Member contributions	-
Benefits paid and expenses	(339)
Fair value of plan assets at the end of period	11,325

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2025 to 31 March 2026 was (£437,000).

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)

	Period from 31 March 2025 to 31 March 2026 £'000
Current service cost	141
Expenses	20
Net Interest expense	82
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	243

Notes to the financial statements
For the year ended 31 March 2026

25. Defined Benefit Pension Scheme – Social Housing Pension Scheme (continued)

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

	Period from 31 March 2025 to 31 March 2026 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	**(191)**
Experience gains and losses arising on the plan liabilities gain (loss)	**197**
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	**(98)**
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	**275**
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain	**183**
Total amount recognised in Other Comprehensive Income - gain	**183**

Notes to the financial statements
For the year ended 31 March 2026

25. Defined Benefit Pension Scheme – Social Housing Pension Scheme (continued)

ASSETS

	31 March 2026 £'000	31 March 2025 £'000
Global Equity	**1,255**	1,181
Liquid Alternatives	**2,017**	1,954
Insurance-linked Securities	**17**	32
Property	**553**	528
Infrastructure	**-**	2
Private Equity	**24**	9
Real Assets	**1,066**	1,262
Private Credit	**1,367**	1,290
Credit	**451**	403
Investment Grade Credit	**666**	324
Cash	**2**	143
Long Lease Property	**-**	3
Secured Income	**344**	176
Liability Driven Investment	**3,453**	3,191
Currency Hedging	**-**	17
Net Current Assets	**110**	23
Total assets	**11,325**	10,538

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

Notes to the financial statements
For the year ended 31 March 2026

25. Defined Benefit Pension Scheme – Social Housing Pension Scheme (continued)

KEY ASSUMPTIONS

	31 March 2026 % per annum	31 March 2025 % per annum
Discount rate	**6.18%**	5.87%
Inflation (RPI)	**3.28%**	3.08%
Inflation (CPI)	**3.03%**	2.80%
Salary Growth	**4.03%**	3.80%
Allowance for commutation of pension for cash at retirement	**75% of maximum allowance**	75% of maximum allowance

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

	Life expectancy at 65 (years)
Male retiring in 2026	**20.9**
Female retiring in 2026	**23.2**
Male retiring in 2046	**22.2**
Female retiring in 2046	**24.6**

26. Share capital

The shares provide members with the right to vote at general meetings but do not have a right to any dividend or distribution in a winding-up and are not redeemable.

	2026 £	2025 £
At 1 April	**50**	46
Issued during the year	**1**	4
Cancelled during the year	**(6)**	-
At 31 March	**45**	50

Notes to the financial statements
For the year ended 31 March 2026

27. Statement of cash flows

	2026 £'000	2025 £'000
Cash flow from operating activities		
Surplus for the year (after taxation)	**3,650**	2,959
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	**4,931**	4,457
Amortisation of grant	**(2,525)**	(2,171)
Change in investment property valuations	**192**	(87)
Carrying value of asset disposals	**138**	221
Pension DB Adjustments	**111**	(103)
Amortisation of bond premium and loan costs	**(268)**	(290)
Working capital movements:		
Increase/(decrease) in debtors	**125**	(575)
Increase in creditors	**2,696**	1,237
Increase/(decrease) in provisions	**(61)**	66
Decrease/(Increase) in stock	**11**	38
Pension deficit contributions paid	**(557)**	(588)
Net cash generated from operating activities	**4,793**	2,205
Cashflow from financing activities:		
Interest payable	**2,179**	2,382
Interest received	**(349)**	(793)
	1,830	1,589
Cash generated by operations	**10,273**	6,753

Notes to the financial statements
For the year ended 31 March 2026

27. Statement of cash flows – continued.

Cash and cash equivalents	**2026 £'000**	2025 £'000
Cash at bank and in hand	**2,384**	3,762
Cash equivalents included in current asset investments	**10,000**	15,040
Total cash and cash equivalents	**12,384**	18,802

Movement in Net Debt

	1 April 2025 £'000	**Cash flows £'000**	**Other changes £'000**	**31 March 2026 £'000**
Cash at bank and in hand	3,762	(1,378)	-	**2,384**
Loans due within one year	(4,223)	4,495	(6,956)	**(6,684)**
Loans due after one year	(73,868)	(23,806)	6,793	**(90,881)**
Current asset investments	15,040	(5,040)	-	**10,000**
Net Debt	(59,289)	(25,729)	(163)	**(85,181)**

28. Financial commitments

	2026 £'000	2025 £'000
Contracted for but not provided for	**13,186**	19,712
Approved by the Board but not contracted for	**1,140**	12,498

At 31 March 2026 the association intends to fund this expenditure from a combination of free cash generation, social housing grants and loan drawdowns from loan facilities already in place.

Notes to the financial statements
For the year ended 31 March 2026

29. Operating Leases

Annual commitments under operating leases are as follows:

	2026 Land & buildings £'000	**2026** Other £'000	2025 Land & buildings £'000	2025 Other £'000
Within one year or less	**-**	**25**	-	21
Between one and two years	**-**	**24**	-	3
Between two and five years	**-**	**17**	-	3
In five years or more	**-**	**-**	-	-
	-	**66**	-	27

30. Units in management

	Opening units at 1 April 2025	**Adj**	**New build & Acq'n**	**Reconfig**	**Transfer**	**Closing units at 31 March 2026**
Owned properties						
General needs	2,966	(16)	60	(4)	3	**3,009**
Housing at intermediate rent	104	-	8	-		**112**
Supported housing	39	-	-	-	(3)	**36**
Management properties						
Low Cost Home Ownership Scheme (LCHO)	71	-	-	-	1	**72**
Leasehold flats	35	-	-	-	(1)	**34**
Private market rent	17	-	1	-	-	**18**
Total	3,232	(16)	69	(4)	-	**3,281**

Notes to the financial statements
For the year ended 31 March 2026

31. Related party transactions

The Association provided rental accommodation to a Board member who was also a tenant during the year. Rent and service charges were charged to the member on the Association's standard terms.

32. Contingent liabilities

The Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Pension Plan, based on the financial position of the scheme as at 30 September 2025. As of this date, the employer debt for the Association was £3,293,290. The Association currently has no intention of withdrawing from the Plan.

We have been notified by the Trustee of the SHPS Defined benefit pension 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. The Court hearing commenced on 12 February 2025, with the Court's determination now not expected late in 2026. After this, the Trustee and its advisers will consider the outcome and communicate next steps to employers.

Depending on the outcome of the hearing, it may be necessary to ask further questions of the Court to clarify certain additional points. 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.

Social housing grant received for a housing property is potentially repayable on its disposal, including any amounts credited to the income and expenditure account in respect of amortised grant. The total amount of social housing grant amortised through the statement of comprehensive income and therefore potentially repayable is £38,984,989 (2025: £37,148,794).