



## **Annual Report and Financial Statements**

**For the year ended 31 March 2025**

## **REPORT AND FINANCIAL STATEMENTS 2025**

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**LEGAL AND ADMINISTRATIVE DETAILS****REGISTERED OFFICE**

Tŷ Silyn  
Y Sgwâr  
Penygroes  
LL54 6LY

**MANAGEMENT BOARD MEMBERS**

Tim Jones	Chair	
Siôn Fôn	Vice Chair	
Llinos Iorwerth		
Mike Corfield		
Jane Lewis		
David Lloyd		
Nigel Finney		
Ken Beech		(co-opted September 2023)
Tony Oakley		(co-opted September 2023)
Delyth Lloyd		
Paul Robinson		
Sally Baxter		
David Lewis		(co-opted September 2024)

**Executive Leadership Team**

Melville Evans	Chief Executive
Nia Rhian Owen	Director of Resources
Sion Gethin Roberts	Director of Property and Investment
Sharon Morris	Director of Neighbourhoods
Nerys Price-Jones	Director of People and Culture
Elfyn Owen	Chief Officer Canllaw
Lynda Colwell	Chief Officer Conwy and Denbighshire Care and Repair

**COMPANY SECRETARY**

Helen Wyn Jones

**BANKERS**

Barclays  
PO Box 3333  
One Snowhill  
Snowhill Queensway  
Birmingham  
B3 2WN

**AUDITOR**

Beever and Struthers  
The Colmore Building  
20, Colmore Circus Queensway  
Birmingham  
B4 6AT

**LEGAL STATUS**

Registered under the Co-operative and Community Benefit Societies Act 2014  
Registered with the Welsh Government, Number L029  
The Association has adopted charitable rules

## Management Board report

### Background

During the year Grŵp Cynefin successfully regained a compliant grading from the Welsh Housing Regulator. This represents a significant achievement by the staff and stakeholders. In March 2023, Grŵp Cynefin self-reported significant risks and concerns in relation to tenant services and governance, and its Regulatory Judgement was downgraded to ‘Non-compliant Amber’ for Governance and Tenant Services’ and ‘Compliant Yellow’ for Financial Viability. It also entered into a formal Voluntary Undertaking in May 2023.

Following the implementation of a comprehensive Business Improvement Plan Grŵp Cynefin’s Regulatory Judgement was revised and to ‘Compliant Yellow’ for both Financial Viability and Governance and Tenant Services. This reflected the progress made on improving the data held on our stock and gaining assurance in relation to asset compliance. Addressing key pieces of outstanding work within the agreed Business Improvement Plan has been a key priority within the 2024-25 Corporate Plan. Given the positive progress made, Grŵp Cynefin is now working towards seeking a revised full regulatory judgement during 2025-26 and seeking formal ministerial approval to step down from the Voluntary Undertaking.

### New Corporate Plan 2025-28 A Place to Belong

From 1 April 2025, a new Corporate Plan, ‘A Place to Belong 2025-2028’ was launched. The new Plan builds upon the previous Corporate Plan (2019-24) and provides a new strategic and operational framework to develop a resilient, modern and focused organisation. It is also closely aligned to Welsh Government policies and strategies, at all levels of the business. It was approved by the Board in March 2025.

The revised **Strategic Vision** is ‘*to be an inclusive and effective organisation that provides safe, quality and sustainable homes*’.

Grŵp Cynefin’s revised **Mission Statement** is: ‘*We will deliver our vision by focusing on the provision of quality, safe, sustainable homes by:*

- *Being a high-performing housing provider*
- *Continue to be a community-driven and collaborative organisation which empowers our tenants, customers, staff and communities to thrive*
- *Being an inclusive organisation, be celebrating our Welsh identity*

The new revised **Values and Behaviours** are:

- **Transparent:** ‘*We are open, honest, and clear, and always act with integrity*’
- **Inclusive:** ‘*We foster an environment where every individual feels valued, respected, and supported*’
- **Forward Thinking:** ‘*We are dynamic, resilient, and will meet future challenges and opportunities with confidence*’

The revised Strategic Priorities within the new Corporate Plan ‘A Place to Belong’ are:

- **Tenants and Customers:** We will provide excellent customer service to all
- **Homes:** We will focus on providing quality, safe and sustainable homes
- **People:** We will build an innovative, and proactive workforce
- **Communities:** We will be a trusted and resilient partner
- **Business:** We will modernise our operating model to strengthen business connectivity and financial resilience across the group

## Management Board report

### DELIVERY 2024-25

Below is an overview of progress in key areas during 2024-25.

#### **Aim 1. Implement our Business Improvement Plan**

Throughout 2024-25, the key focus for Grŵp Cynefin was continuing to deliver and evidencing continuous improvements to its services, and to complete all of the requirements of the Voluntary Undertaking, providing the Regulator with regular updates on progress.

It was reported to the Board in May 2025, that all of the reviews that were required from within the voluntary undertaking had been completed, and the additional reviews that derived from those also. The reviews were:

- Financial Viability
- Governance
- Business Model
- Risk Management
- More than Housing

Grŵp Cynefin have agreed to provide the Regulator with an independent report (by Mazars, the internal auditors) evidencing that all of the recommendations from the Business Improvement Plan, and reviews have been implemented, and this will align with the self-evaluation process to be undertaken during quarter 3 of 2025-26.

During quarter 3 2024-25 a new permanent Executive Leadership Team was appointed. Further restructuring of the staffing structures has been undertaken to ensure improved ways of working and effective alignment with the strategic aims of the new Corporate Plan.

A new Board Assurance Framework has been established for the Group which supports a new committee structure which was introduced from the 1 April 2025. The new committee structure comprises of the following committees:

1. Audit and Risk
2. Operations
3. Tenant
4. People

#### **Aim 2: Quality Homes**

The key focus over the last 24 months was to improve data records to provide assurance around health and safety compliance. A timeframe was established and agreed with the Board and Regulator to achieve compliance in key areas including fire safety, gas, EICR, legionella, radon and lifts. Monthly progress and performance reports ('Compliance Dashboards') showed continued improvements towards compliance, which is detailed below. This remains a key priority.

Another key focus was to undertake a comprehensive programme of stock condition surveys of all our properties, with a target of achieving 100% (allowing for no-entry). As of April 2025, 86% of our stock had been surveyed, and our Asset Management system populated, having undergone quality assurance

## Management Board report

data checks by an external company. We will extrapolate this data to ensure we achieve 100% and will ensure that the stock information remains accurate through an annual 20% rolling survey program. This information is the basis for the 30-year Business Plan, and the Strategic Asset Management Programme which has been developed and will be presented to the July 2025 meeting of the Management Board for approval.

Grŵp Cynefin delivers services which meet the diverse needs of tenants and other service users. It has a range of housing options available, such as social housing with properties ranging from flats, bungalows and a range of various size bedroom properties, sheltered accommodation, Extra Care schemes, and affordable homes with various shared equity options including the Home-buy scheme.

In August 2022, Grŵp Cynefin commenced the development of the Llys Awelon (Phase 2) project. This work consisted of demolishing the residential care building and constructing 35 additional Extra Care units as an extension to Llys Awelon (Phase 1). The Phase 2 new build development cost in the region of £10.6M which was funded by £7.1M of Social Housing Grant and private finance from Grŵp Cynefin. This work is now completed, and the new facility offers a modern, low carbon scheme to meet the needs of older people in the Denbighshire area, including additional one and two-bedroom flats within a purpose-built building with communal areas such as gardens, lounges, a restaurant and a hairdressing salon. The completed development provides a total of 56 flats.

Grŵp Cynefin also invested to upgrade works to the Llys Awelon (Phase 1 project which was completed in 2012) in order to provide a link between both buildings, and to bring this building in line with the modern vibrant scheme. The Phase 1 works has been funded by circa £800K of Housing with Care Fund (HCF) and private finance from Grŵp Cynefin. Works commenced on site in September 2024 and was completed in June 2025.

In addition to the facility itself, a community grant of £18K was made available to local projects and clubs to improve lives and opportunities in the Ruthin area.

Grŵp Cynefin added 55 new units at the end of March 2025 (against a target of 47), the 8 extra units were from the 'Maes Deudraeth' Scheme, which was handed over ahead of the programme, to give a total of 5,070 units either managed by or where Grŵp Cynefin had an interest in them.

The 5,070 units are made up of the 4,286 rented units which are either owned by Grŵp Cynefin or leased from the Welsh Housing Partnership but are all managed by Grŵp Cynefin; 767 intermediate market units ('Homebuy' and 'Shared Equity' units) in which Grŵp Cynefin has an interest, and 17 units which are owned by Almshouse Charities, but are managed by Grŵp Cynefin.

Grŵp Cynefin continued to deliver strong progress through the Optimised Retrofit Programme (ORP) during 2024–25, with 221 homes upgraded across phases 3.1 to 3.3. These works were delivered by appointed contractors and included a range of energy efficiency measures aligned with WHQS 2023. These improvements are already having a positive impact on tenants, helping to reduce energy costs and improved comfort within the home.

The total investment across these phases was £4.64M, averaging £24,553 per property. In September 2024, Grŵp Cynefin secured an additional £780K through a surplus funding application, increasing the total ORP grant allocation for the year to £2.5M. This brought the cumulative ORP funding received for ORP 3.1-3.3 to £5.43M. Two sites remain in progress and are expected to complete by July 2025, in line with the extension provided by Welsh Government. In addition to ORP funding, Grŵp Cynefin secured just over £30K in ECO 4 funding. While this was lower than originally targeted, it still represents meaningful value delivered, particularly given the challenges in sourcing and retaining ECO 4 funding within the current market. The works delivered by both Contractors have contributed significantly to our wider energy performance objectives.

## Management Board report

The WHQS Implementation Grant provided £310K in 2024-2025 and was used to enhance the scope of the roofing programme. This enabled the inclusion of additional solar PV installations, helping to improve the energy efficiency of targeted properties and move them closer to the required SAP ratings. The programme funded through this grant was fully delivered within the financial year.

Looking ahead, the combined WHQS Implementation and ORP grant model will continue to support the delivery of ORP 3.4 in 2025–2026 and 3.5 in 2026–2027, with funding for each phase expected to be in the region of £2M. The application for ORP 3.4 is based on three confirmed improvement schemes, with a fourth scheme provisionally included should another opportunity to bid for surplus funding arise. Contracts are in place with both retained contractors with surveys and retrofit assessments already in progress and work scheduled to begin in our tenants' homes imminently.

In parallel, the Capital Investment Works programme was successfully mobilised in 2024-25, supported by the formation of a new Asset Delivery team. A total of 487 properties received WHQS-related improvements, including roofing, external works, windows and doors, kitchens and bathrooms, and heating systems. A revised WHQS Compliance Policy has also been approved, setting out clear expectations under WHQS 2023 and our approach to compliance with the same standards.

The Capital Investment Works programme remains a cornerstone of Grŵp Cynefin's long-term asset strategy. The successful mobilisation of delivery teams, combined with the launch of the revised WHQS Compliance Policy, has laid a strong foundation for future investment cycles.

These works continue to enhance the quality, safety, and energy performance of our homes, ensuring that tenants benefit directly from the improvements being made.

### Aim 3: Excellent Services

Grŵp Cynefin offers a range of tenant-support services, including Housing and Welfare Teams to support tenants to maintain their tenancy, older person services via our Extra Care schemes and Gorwel, our supported housing services that delivers domestic abuse and homelessness support services.

In January 2025, twenty-one older tenants moved into energy-efficient apartments at the Llys Awelon Extra Care housing scheme in Ruthin. The development features modern communal areas, incorporates sustainable design principles, and is set to complete a second phase later in 2025.

During 2024-25, the strategic priorities around this area were to improve tenant satisfaction, to invest in our digital infrastructure and to continue to empower our tenants to be central to business decisions and influence services.

A review of how we generate satisfaction surveys was completed during the year, and which are all now generated via our housing system. This prioritises digital completion but includes surveys to be sent via the traditional methods for those not digitally converse. A new Complaints and Satisfaction Group was established comprising of Tenants and Staff, who will scrutinise satisfaction and lessons to be learnt from complaints.

A dedicated 'You Said It, We Did It' section on the website was established which highlighted positive changes delivered in response to tenant feedback ensuring transparency, so all tenants could see how feedback has made a difference.

## Management Board report

As from September 2025, Grŵp Cynefin will fall under the requirements of the Public Services Ombudsman for Wales Act 2019, and the published Complaints standards. This will require us to publish data in relation to complaints. Work has commenced during 2024-25 in readiness for this, such as the review of our Complaints Policy, staff training, and review our data capturing systems.

A Digital Maturity assessment was completed during the year by an external specialist, which was to establish the case for change, and to inform the new digital transformation Strategy approved by the Board in May 2025. The Strategy is named ‘The Future Cynefin – Our Digital Transformation Strategy 2025-2030’. The Strategy will be led by the newly formed ‘Business Improvement Department’ established during the year. The Strategy will support the delivery of the Corporate Plan, and it makes clear our ambition to embrace digital technology in ways that best benefit our tenants, customers and staff. This will drive efficiencies and streamline processes whilst ensuring our systems are safe, secure and sustainable. The guiding principles for the strategy are:

- Focussed digital solutions for **tenants and customers**
- **Safe and Secure**; protecting our cybersecurity
- **Microsoft First** and exploring Microsoft before procuring new systems and tools to ensure that capabilities are not duplicated
- **Cloud First**; moving our systems to become web-based
- **Inclusive Digital First**, moving towards digital engagement with tenants and customers first, whilst also protecting traditional channels of communications
- **Embedding data driven insights** with a strong focus on data patterns and analytics

Also, during the year, the co-production of a new tenant engagement strategy took place with tenants and staff, The ‘Your Voice, Your Home, Your Community Strategy’ was approved in principle by the Tenants Committee in June 2025, and by the Board in July 2025. In addition to the new strategy, a new ‘Tenant’s Voice’ report is produced on a quarterly basis by the Tenant’s Forum, and presented to the Tenant’s Committee for approval, before sharing with the Board thereafter. The report clearly shows what areas of work tenants have inputted, or been consulted upon, and more importantly, what their input has changed.

We submit satisfaction data to Welsh Government annually, and they publish an annual report based on these returns. Grŵp Cynefin compares relatively well in comparison to other RSLs in Wales, and similar to our own performance compared to 2023-24

	Very Satisfied and Satisfied Combined		Neither Satisfied nor Dissatisfied	
How satisfied are you with the service provided?	2024-25 <b>76%</b>	2023-24 <b>81%</b>	2024- 25 <b>9%</b>	2023-24 <b>10%</b>
To what extent do you agree with the following statement “I trust Grŵp Cynefin ”.	2024-25 <b>77%</b>	2023-24 <b>73%</b>	2024- 25 <b>12%</b>	2023-24 <b>16%</b>

Grŵp Cynefin was awarded a ‘Customer Service Excellence’ accreditation (4 elements reaching ‘Compliance Plus’), in accordance with the requirements of the Cabinet Office’s Customer Service Excellence Standards in July 2021, which is reviewed annually. A full review will take place during 2025 which has been set as a strategic aim “*get it right first time: we will provide our colleagues with the knowledge and tools to provide a seamless, positive experience when our tenants contact us*”. We aim to resolve 85% of queries at the first point of contact by reviewing our **customer standards** and complaints policy to support this priority”

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Further to this, a key priority within the new Corporate Plan will be to develop ‘customer journey mapping’ as a core part of Grŵp Cynefin’s Transformation Strategy. It is seen as a complementary tool to Lean Reviews, with a distinct focus on improving tenant and customer experiences rather than just internal efficiencies. While Lean Reviews aim to reduce waste and streamline operations, customer journey mapping seeks to understand how tenants interact with services—such as applying for housing, reporting repairs, or paying rent—and to identify pain points and opportunities for improvement. The key mapping focus areas will be:

- Responsive repairs
- Compliance
- Customer payments
- Planned works
- Reletting
- Service charges
- Anti-social behaviour

### Repairing and improving homes Key Performance Indicators:

	2025	2024
Repairs completed within target time	83%	82%
Emergency work completed within 24 hours	97.5%	99%

### Letting and managing property:

During the year 2024-25, 304 properties were let, 40 new lets and 264 re-lets, compared with a total 242 lettings last year, which was 18 new lets and 224 relets. The increase was expected as we relet properties following the Transitional Accommodation Capital Programme (TACP).

The total value of the repair works delivered during 2024-25 equates to £16.5M against a budget of £13.9M, exclusive of £2.5M capitalised expenditure. This equates to a 96% increase over and above 2023-24 financial year. The overall responsive repairs service delivery shows a positive movement despite being a peak year in terms of volume.

The performance shows a reduced turnaround time of 5.6 days compared to 2023-24, improved completion times by 1% despite an increase of circa 1,000 jobs during this period. This has led to an overall increase in tenant satisfaction rising to 92.75% (from 89.33% in 2023-24)

Year	Volume (no)	Completed in time (%)	Average turnaround (Days)	Cost/Job £
2022-23	15,869	84%	11.6	170
2023-24	15,415	82%	20.00	173
2024-25	16,395	83%	14.4	201

The sector has reported an increase of 11% in repair demand and costs compared to previous years, and responsive repairs and looking at costs will continue during 2025-26.

Damp and Mould number of cases has reduced compared to 2023-24 with a total of 99 open cases at the end of March 2025, compared to 237 open cases at the end of March 2024. All cases are addressed

## Management Board report

on an individual basis and remain open until a post inspection of works are completed. Disrepair claims continue to increase, with the total value of payments this year being circa £72K.

264 voids were completed during the year with the average re-let time reduced from 149 days to 141 (2023-24) for all voids, being a total corporate rent loss of 2.72% (£697K). Year-end performance is as follows:

Void Type	No of Units	Days with the Assets Team	Total Re-Let Time
Minor Voids	174	25	42
Major Voids*	69	159	178
Development & Disposition Voids	21	815	839

\*It should be noted that this is the impact of addressing a high number of historical voids, mainly using TACP grants.

Following a Void Service review undertaken in 2024-25, it was agreed to undertake during 2025-26:

- Appoint a Void Service Manager
- E-tender the contractors to ensure better Value for Money, and contract compliance
- Increase the internal DLO (by 12, and 2 apprentices) to deliver 60% of the void works which we aim to have recruited by quarter 2 of 2025-26

Whilst the gross arrears figure continues to be above target at 2.63% against a target of 2.50%, there has been a steady reduction in the rent arrears management figures, with a substantial decrease at the end of March 2025 being the lowest level of rent arrears figures for 3 years. The arrears were £676K compared to the total rent due to collect of £25.66M.

This improvement in performance has been achieved by an increase in resources from within other teams from the Housing department, with focus on short term arrears to free up income officers to focus on higher end arrears.

Former tenant arrears at the end of March 2025 were £149K, (0.58% against a target of 1.00%), with a total of £111K written off.

During 2024-25, 442 new anti-social behaviour (ASB) cases were recorded compared to 364 in 2023-24. This does not provide insight regarding service delivery, and a focus for 2025-26 will be to review the delivery of ASB, optimising and promoting zero-tolerance approach. Additionally, a focus on satisfaction with the delivery of the performance to measure timelines and the length 'cases' are open for to offer greater insight to overall performance of ASB, or prohibitive behaviour.

### Aim 4: Improve Lives

Grŵp Cynefin's delivered services that improved lives by focusing on community wellbeing, tenant empowerment, inclusive housing and targeted support for tenants who need it. Several initiatives were delivered that enabled people with a variety of needs to live independently and safely, including:

Supporting local food initiatives, wellbeing workshops and community grants through contractor partnerships.

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Active involvement in Welsh-language promotion and cultural events ensured tenants felt connected and respected. Provision of support services in rural and Welsh-speaking communities maintaining cultural sensitivity and accessibility to prevent social isolation and strengthened community identity.

The Welfare team assisted a total of 599 tenants (491 in 2023-24), with 2,147 cases since April 2024 (1,958 in 2023-24). The total financial gain was £1.66M being an increase of £23K to last year's figures. During 2025-26, we will explore if we can record financial gains in two separate metrics; the first being housing related gains, where following the intervention of what has come directly to Grŵp Cynefin in relation to paying off any outstanding rent arrears on the tenant's account; and secondly, financial gains figure that should support the tenant with the cost of living and prevent them going into arrears, has not been a financial gain for the organisation.

Grŵp Cynefin continued to support its tenants with the increased cost of living challenges and increased its hardship fund to £75K. There were 155 successful applicants for the fund (an increase of 80% from the previous year)

The Community Initiatives' Team Annual Report 2024-25 provides a comprehensive list into all of their tenant involvement work, and community work, with examples including:

- **Training and Employment:** 20 individuals received help, with 4 tenants receiving a Steps to Employment grant worth £1,173.
- **Community Cost of Living Grant:** 9 projects were supported through a 'Cost of Living Grant' worth £4,103. Various projects were also supported, including providing affordable meals to people, creating a bank to store football equipment so that children can take advantage of items that others have outgrown, supporting a Football Club to provide lunch for local people.
- **Energy Wardens:** 157 referrals were received from new tenants, and 127 of those tenants have been contacted (80.8%) due to a reduction in staff, tenants with the highest needs were prioritised. The Energy Wardens have given £5,154 worth of energy vouchers to a total of 86 tenants, and also hosted drop-in sessions
- **Digital Support:** Digital support has been provided to 24 tenants and 13 members of the community with 38 sessions held across the operational area. Tenants have been supported to look for jobs, how to use devices such as Zoom to be able to join in online sessions and meetings, and much more.
- **Tempo Time Credits:** This is a reward scheme offered to tenants who take part, as their input is essential to shape and steer services to meet expectations and needs. The Tempo Time Credits trial was launched in October 2024, with 14 tenants taking part. They 'earn' credits to enable them to visit a number of local and national attractions for free.

Canllaw (Eryri) cyf (Gwynedd and Anglesey) and Gofal a Thrwsio Conwy a Sir Ddinbych are subsidiary companies to Grŵp Cynefin.

- Canllaw's main services helped 2,463 clients in 2024-25, the value of works being £1.78M. They assisted clients to maximise their income through welfare benefits uptake to the value of £485K. 96% of clients were satisfied with the quality of services provided.
- Conwy and Denbighshire Care and Repair main services helped 5,579 clients in 2024-25, the value of works being £1.45M. They assisted clients to maximise their income through welfare benefits uptake to the value of £932K. 95+% of clients were satisfied with the quality of services provided.

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Supported Housing was historically managed separately from General Housing operations, but during 2024-25, and following internal reviews, the Supported Housing services known as ‘Gorwel’ was brought under the Neighbourhood Directorate to:

- align tenancy sustainment and support services under one strategic lead,
- to embed supported services more locally with housing teams,
- Create a consistent and improved standard of service across tenures and support levels,
- Maximise efficiencies and facilitate better cross-team communication

‘Gorwel’ offers a cross-section of schemes in terms of supporting children, young people, adults and older people and importantly the prevention of homelessness. The teams support on average between 500-550 people per week and has 59 FTE, paid members of staff. Housing Support Grants form 80% of Gorwel’s income.

Grŵp Cynefin’s new Equality, Diversity and Inclusion Strategy was approved by the Management Board in July 2023, with additional resources directed towards achieving agreed actions during 2024-25. One of the key actions was to achieve an EDI specific accreditation, being the QED (Quality in Equality and Diversity) Accreditation, which we hope to have achieved by September 2025.

### Aim 5: Sustain Communities

Grŵp Cynefin have a range of services and projects that supports and regenerates the communities in which we work, and which explains the purpose of ‘More than Housing’. A review of the ‘More than Housing’ portfolio, being different projects and services, was carried out by an external provider during 2024-25, so that we could be clear about their strategic future. It also provided:

- a summary of each project, their true cost to Grŵp Cynefin, and their future financial resilience
- how they align with stakeholder and customer needs and expectations
- review the value for money and community benefits
- review current governance and monitoring arrangements, providing Board assurance

The Board approved the review findings in January 2025, and the Executive Leadership Team have established a working group, to address the recommendations. Work is progressing well, and some of the key actions taken are;

- Some of the services considered were core services, and as such have moved under the Neighbourhoods Directorate
- More detailed work will progress around each of the projects and services, and a business case will be presented to Board during 2025-26 to consider how they fit into and add value to the business.

The Llys Awelon Extra Care housing scheme in Ruthin fosters community life with gardens and lounges to encourage inclusivity, and a hairdressing salon. Local partners and the contractor also offered community grants to boost wider local benefit incorporating SROI.

In December 2024 Grŵp Cynefin celebrated the 10<sup>th</sup> anniversary of HWB Dinbych and Yr Hafod Supported Housing in Denbigh, offering accommodation plus wraparound support, in education, employability, social care and well-being. The scheme was praised by the Welsh Housing Cabinet Secretary commenting ‘the project is vital in preventing youth homelessness and aiding transition to sustainable independent living’.

## Management Board report

Grŵp Cynefin administers the Tai Teg register, being the Affordable Housing Register on behalf of Housing Associations, Local Authorities and Snowdonia National Park. This offers different options regarding affordable units, whether it is rented (intermediate rent), or assisted purchase via Rent to Own or Shared Ownership properties. Total number of units nominated via Tai Teg have increased over the last seven years and now averages at around 370 units per year.

Grŵp Cynefin is working in partnership with Cyngor Gwynedd and Betsi Cadwaladr Health Board in the development of a Health and Wellbeing Project for the Penygroes and Dyffryn Nantlle areas, namely Canolfan Lleu. At its core are the principles of working in stronger partnerships to improve wellbeing and a move towards co-promotion of good health, but it also includes a core commitment to build a new wellbeing environment, a better public realm for the area and a sustainable housing offer based on identified local needs. Following a necessary change to the original scheme masterplan, which resulted in a pause in developing the scheme further, there was a requirement to undertake a new feasibility review and revise the masterplan. The proposed changes are currently being assessed on its affordability, considering the grants that have been recognised to date for the project. Subject to concluding this assessment, the intention would then be to proceed with the design, and the development and submission of the Outline Business Case.

### Aim 6: Robust and Sustainable Growth

Grŵp Cynefin has undertaken a review of how it meets the requirements of the CHC Code of Governance and has evidence to support that it meets 90.3% of the requirements fully, with the remainder 9.7%, partially (compared to 78.5% in 2023-24). A report will be submitted to Board in September 2025. This improvement is following a governance review that was undertaken by an external provider in 2023-24 as part of the requirements of the Voluntary Undertaking, where the recommendations arising from the review have now been implemented.

A review and implementation of the year 1 objectives of the 'People Strategy and Plan 2024-2027' progressed, with initial fundamental restructure and recruitment of key roles with the HR department. This included establishing and recruiting to a new People and Culture Director and Training and Development Manager during the year.

Pilot operational and commercial collaborative working arrangements were separately set up between Grŵp Cynefin and its subsidiaries to support the work of installing new kitchens and bathrooms during 2024-25, being:

- Canllaw (3 kitchens, 6 bathrooms) valued at £48,200
- Conwy and Denbighshire Care and Repair (10 kitchens, 3 bathrooms) valued at £80,248

For 2025-26, this work will increase, to:

- Canllaw (53 kitchens, 68 bathrooms), valued at £525,524.
- Conwy and Denbighshire Care and repair (55 kitchens, 57 bathrooms) valued at £508,947

## Management Board report

### GRŴP CYNEFIN PRINCIPAL ACTIVITIES

As a registered social landlord, Grŵp Cynefin:

- Manages more than 5,000 homes across North Wales and North Powys
- Provides landlord services through a network of local offices in Bala, Denbigh, Llangefni and Penygroes. Encourages tenants to influence performance and improve the services they and their communities are receiving
- Develops homes of all types in response to local needs: for families, single people, older people and vulnerable persons with support needs
- During 2024-25 Grŵp Cynefin invested over £10.7M (2024 £7.7M) in its housing stock. This included investment in routine maintenance, planned, inspecting and maintenance work and Grant funded work.
- Over the three-year period of the Corporate Plan, a total of 208 units have been completed, against a target of 358. The Board approved to ‘pause’ any new development commitments during the year, so that resources could be focused to deal with the voluntary undertaking requirements.
- Has an interest in, part-owned properties or has facilitated over 1000 intermediate market homes for people who cannot buy a suitable home on the open market
- Administers Affordable Housing Registers on behalf of local partners in North Wales
- Supports Rural Housing Enablers that support community efforts to increase the supply of housing for local people
- Has invested in the Welsh Housing Partnership (WHP), (a joint venture with three other Housing Groups), that has provided over 2,000 additional intermediate rent homes since its formation in 2011. Grŵp Cynefin total stock for WHP is 142.

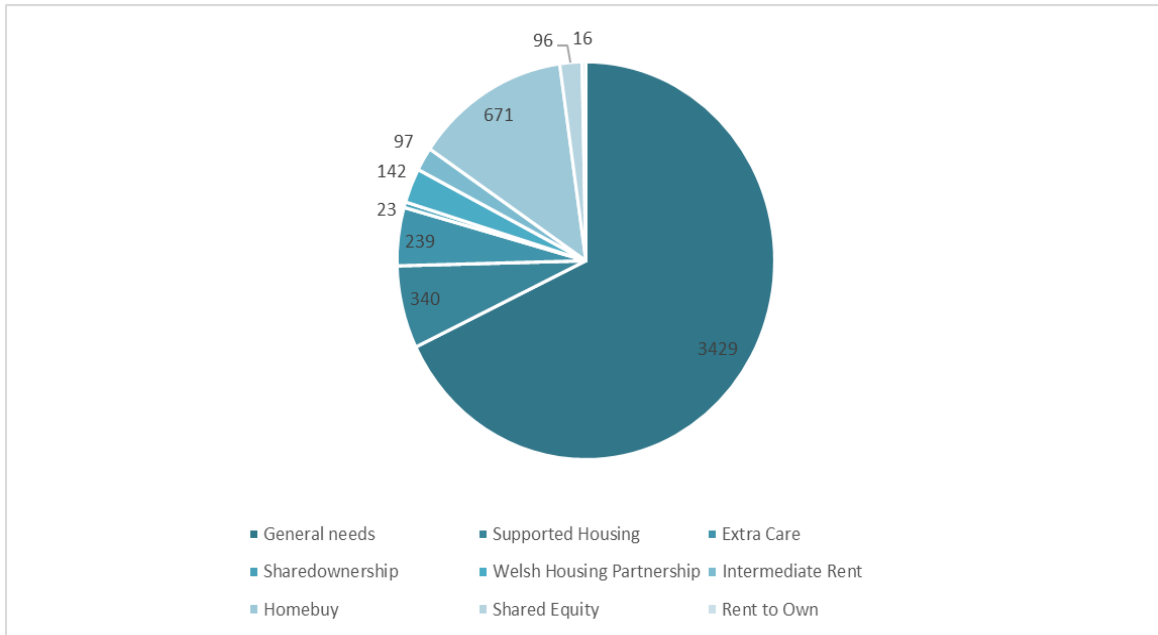
As mentioned above, as a Group of social businesses, Grŵp Cynefin also provides community based projects and services, branded under the strapline of ‘More than Housing’ by:

- Managing two Care and Repair agencies through two subsidiaries (Canllaw (Eryri) Cyf and Gofal a Thrwsio Conwy a Sir Ddinbych) which carry out essential adaptations to the homes of older people and people with disabilities
- Providing housing based support services through Gorwel, Grŵp Cynefin’s internal Supported Housing service, that enable individuals and families to live safely and support their wellbeing and prevent homelessness; including victims of domestic abuse, homeless people, older people and people with mental health support needs
- Managing the Community Energy Wardens employment and vocational training projects which now operates across north Wales and Powys.
- Managing the Congl Meinciau Enterprise Centre on the Llŷn Peninsula, Gwynedd
- Managing HWB Dinbych, a youth enterprise centre in Denbigh
- Managing ‘Y Shed’ enterprise centre in Meliden, which entailed transforming an old empty railway building into a hub containing a shop, café, local heritage information, and business units.
- Acting as the Corporate Trustee for two Almshouse Charities, The Charity of Elizabeth Owen, Llanfair Dyffryn Clwyd and Ellen Glynne Homes, Llandwrog.

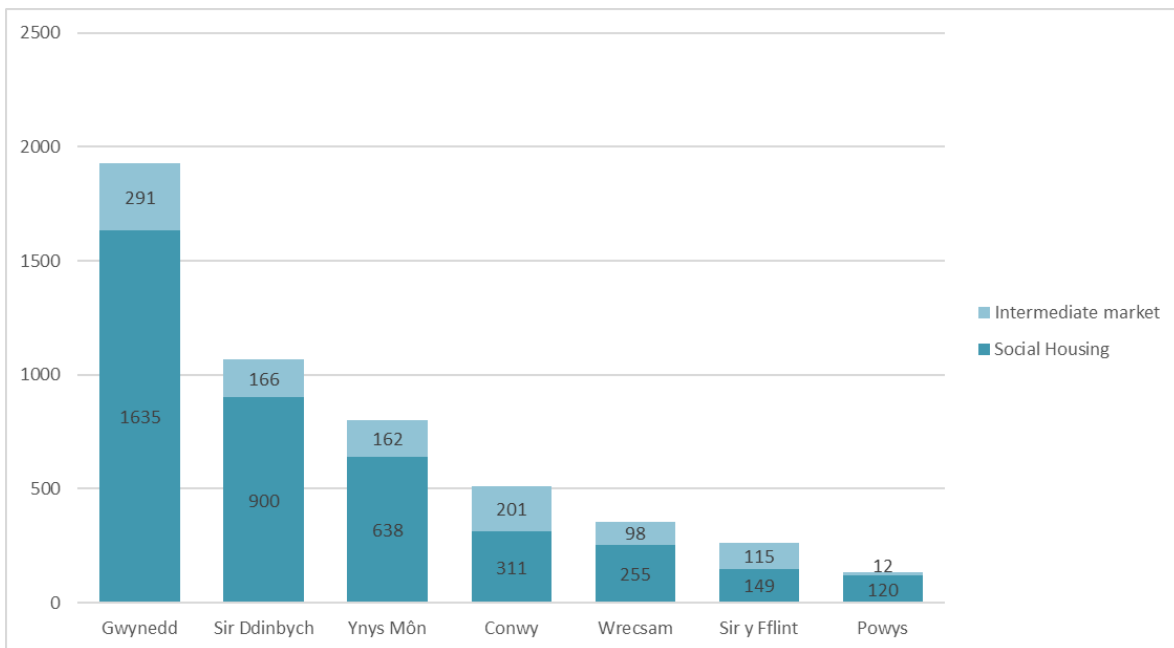
Grŵp Cynefin is one of a few Housing Associations throughout Wales conducting its internal business completely through the medium of Welsh and is extremely proud of this unique characteristic.

**Management Board report**

**Graph 1: Housing Stock @ 31/03/25 – By Type of property**



**Graph 2: Housing Stock @ 31/03/25 – By Local Authority**



**Financial and Treasury matters**

Grŵp Cynefin has adopted a robust Treasury Management Policy and the Board approves a Treasury Strategy on an annual basis. Treasury reports are presented to the Finance and Growth Committee which demonstrates that Grŵp Cynefin continually complies with its Treasury Management Policy. A review of the Treasury Management Strategy was approved in April 2025 and was further updated in August 2025 following the submission of the 30 year financial forecast.

## Management Board report

The year ending 31 March 2025, Grŵp Cynefin's loan portfolio shows that the Association have outstanding loans of £145.6M with c.83% of these being on fixed interest rate agreements. This complies with Grŵp Cynefin's Treasury Management policy that states the need for at least 80% of loans to be on fixed interest rate agreements. At the year end, Grŵp Cynefin's had adequate liquidity in place for approximately 38 months, as a result of securing additional funding during the year to support our 30-year Business Plan.

In accordance with the Welsh Government requirements, comprehensive 'stress-testing' of the 30-year financial forecasts are carried out on an annual basis with the Management Board, and potential mitigation strategies are discussed.

Grŵp Cynefin had its Regulatory Judgement revised and upgraded to 'Compliant Yellow' for Governance and Tenant Services in May 2024. The exceptional costs incurred within the year have been excluded from the EBITDA-MRI covenant with two of our lenders and has been detailed in Note 30.

The Group turnover for the year was £40M (2024 £35M) of which £27M (2024 - £25M) was rental and Service Charge income. The Group's surplus for the year amounted to £1.5M (2024 - £1.3M) and following the defined benefit pension adjustment that was required during the year, showing an actuarial gain of £0.7M (2024 loss - £1.2M), the revenue reserves stood at £34.6M (2024 £32.5M) at the year-end. The Management Board considers this a positive result for the year. Housing properties stood at a net book value of £344M at the year-end (2024 £327M).

## Environmental, Social, Governance (ESG) Performance

Grŵp Cynefin produced its ESG Criteria Compliance Certificate under the provisions of its loan agreements, which showed the performance as of 31 March 2025, against the three-performance target set, as follows:

- i. The Energy Performance criteria on New Build properties was Average 87 EPC (against a target of 90) and
- ii. The Energy Performance criteria on existing stock was Average 72 EPC (against a target of 72); and
- iii. 69 people (who were, immediately prior to that, unemployed) were supported towards employed work, or self-employed work (against a target of 40).

In addition, to the 69 individuals supported above, Grŵp Cynefin have also provided support to 57 tenants through Careers Wales at HWB Dinbych.

## The Operating Environment

The operating environment continues to be shaped by a mix of regulatory, economic, and social factors that influence how they deliver affordable housing and support services. The key themes being:

- **Welsh Government Regulatory Framework Review 2024-25:** The Framework is currently under review; to modernise the regulatory standards and ensure they reflect the evolving challenges facing Welsh housing associations. The review has focussed on updating the Regulatory Assessment Model, reinforcing standards on governance, financial sustainability, and tenant voice. It is also to streamline compliance and reporting processes, with greater emphasis on tenant involvement in decision-making, stronger standards on equality, diversity, and inclusion, enhanced accountability and ethical leadership and improved tools for performance tracking and assurance. We expect the new Framework to be launched before the end of 2025-26

## Management Board report

- **Economic Pressures;** Rising costs, especially in construction, maintenance, and energy which have outpaced income growth for many associations. This has led to tighter operating margins and increased scrutiny of financial sustainability.
- **Social Challenges;** Housing associations are responding to growing demand for affordable housing, increased homelessness, and the need for more supported housing options. The sector plays a key role in delivering on Welsh Government priorities around housing and social justice.

The other key area is the significant amount of new legislation and guidance in the process of rolling out. In response, we have revised our internal arrangements to improve our co-ordination to better understand the impact of new and emerging legislation. The Chief Executives of all North Wales Housing Associations have agreed to work collaboratively in this field, with Grŵp Cynefin sponsoring this work, led by the Head of Governance, working alongside the organisation's counterparts. The efficient pooling of resources and expertise will not only enable organisational savings in terms of time and resources but possibly most importantly, facilitate a consistent approach towards the implementation of all new legislation across the Housing Association sector. Some of those legislations are:

- **Renting Homes (Wales) Act;** The next phase of litigation has now been scheduled at the High Court during August 2025. This hearing will focus on whether, as a result of a failure to provide copies of EICR, any payment is due to those tenants bringing a claim. A judgement is not expected until late Autumn.
- **Ofgem:** From 01/04/25, Ofgem's role as regulator for the heat network sector commenced. This is the start of the Consumer Advocacy and Consumer Redress parts of the framework. Ofgem will not begin regulating the sector until January 2026, when some but not all of its authorisation conditions will start to take effect. All regulations are planned to be in place and enforced from January 2027. From 01/04/25, all existing heat network schemes will be deemed authorised and social landlords will need to ensure they have appropriate complaints procedures in place. All Housing Associations are encouraged to register with the Energy Ombudsman as the new legislation comes into effect. In June 2025, Ofgem is expected to release a consultation on the Heat Network Technical Assurance scheme. This will mandate minimum technical requirements, such as pipe insulation and water flow temperatures, and minimum levels of performance and reliability.
- **Homelessness Act;** The Homelessness and Social Housing Allocation (Wales) Bill is expected to be introduced to the Senedd, and it will first be considered by the Housing and Local Government Committee, who will open a consultation for comments on the bill's proposals. CHC will be working with all members and coordinating a response on the sectors behalf. CHC is also coordinating a discussion on the sector's position and approach to the homelessness legislation
- **Awaab's Law;** Welsh Government has published its consultation on setting timescales for social housing landlords to respond to reports of hazards which have significant health impacts. In England, the UK Government has taken steps to introduce legislation which will require social landlords in England to address damp and mould hazards within specific timeframes. This is known as Awaab's Law, and it is enacted by the Social Housing (Regulation) Act 2023. In Wales, Welsh Ministers are consulting on specifying a rule which will form a part of WHQS. The intention is for social landlords to publish response times to HHSRS hazards and to report on performance as part of the WHQS compliant return. CHC is developing a response with all members. They are also in close discussions with the National Housing Federation, to understand the response in England

## Management Board report

The **2026 Senedd election** is likely to reshape the political and policy landscape in Wales, and Housing Associations will likely feel the ripple effects across governance, funding, and strategic priorities, for example, by:

- **Funding and Investment Priorities;** Changes in leadership could bring new budget allocations for affordable housing, retrofit programmes, or tenant support services. Conversely, uncertainty around funding may require Housing Associations to reassess financial plans and risk exposure.
- **Devolution and Localism;** With the Senedd expanding to 96 Members and adopting a new voting system, there may be stronger regional representation and more diverse voices influencing housing policy. Housing Associations could benefit from closer ties to local constituencies or face more complex stakeholder landscapes.
- **Public and Political Scrutiny;** Election campaigns often spotlight housing issues. Housing Associations may find themselves under increased scrutiny regarding rent levels, executive pay, and service delivery, especially if housing becomes a central election theme.

## Compliance Health and Safety

As mentioned, at the end of March 2023, Grŵp Cynefin undertook an internal review around asset management and landlord health and safety, as it was clear the right records and process were not in place to provide full assurance around compliance data. This was continued throughout 2024-25, improving on our compliance performance, addressing the EICR situation whilst reducing Fire Risk Assessments remedials, and commencing Radon testing.

Corporate KPI for Landlord Compliance is **99.63%**, and Grŵp Cynefin ended the year with 100% Gas Safety compliance.

Further positive direction during 2024-25 include:

- **Staff Competency:** training in terms of Asbestos and Fire Safety specifically have been undertaken alongside our training mix
- **Renting Wales Homes Act and EICR certification:** introducing a certificate management systems TCW (document management and checking portal) and postal system to ensure certificates are provided within the required 14 days. An Electrical and Mechanical Supervisor has been employed to increase overall competency in this area.
- **Solar System** – rectifying solar systems that have not worked for several years
- **Fire Safety** – Arranging and addressing a remedial action plan which sees a reduction in overdue fires risk assessments remedial work. They reduced from 989 in September 2023 to 131 as at the end of March 2025. During the year, we have also installed 14 new fire alarm systems, 231 fire doors with an ongoing improvement program for 2025/26.
- **CO/Smoke detectors alarm and contractors process** have been developed which went live 01/04/25, allowing us to report *live* Power BI database reporting providing an increase in compliance assurance.
- **Radon** – a programme works was instigated with monitors issued to over 1000 high risk properties, with further works on-going to increase return rates.
- **Compliance Policy reviews**, including Corporate Lift Policy, Fire Safety Policy, Electrical Safety Policy.

One of the key challenges impacting the team is ‘no Access’, however the No Access Policy has been reviewed with close working with the Housing Team, with briefing to staff on the importance of taking prompt legal action.

## Management Board report

### Safeguarding and domestic violence

Grŵp Cynefin has a responsibility to safeguard and promote the welfare of tenants, and staff and are well placed to identify issues of abuse in the family home and in the wider community, having knowledge about local needs, alongside access to certain information about the families, and access to home environments. The Safeguarding Policy was reviewed in June 2025, and all staff receive regular training.

### Grŵp Cynefin staff

As at the end of March 2025, the key staff performance indicators were as follows:

	Group		Association		Canllaw		Gofal a Thrwsio	
	2025	2024	2025	2024	2025	2024	2025	2024
Full time equivalent	279	277	232	234	24	22	23	21
Number at Year end	316	323	268	278	25	24	23	21
Male	91	90	67	68	11	11	13	11
Female	225	233	201	210	14	13	10	10

Staff Attendance Statistics for end of Q4 were 99.77% against a target set of employee attendance of being over than 97.3%, with staff turnover being 4.04% against a target set at 7.15%. New employee KPIs will be set to improve insight and monitoring.

Grŵp Cynefin has talented and motivated staff who are committed to ensuring that the organisation delivers the objectives of its Corporate Plan and delivers the best services to its customers.

The HR team has been further strengthened to ensure that the People Strategy fully reflects the Corporate Plan and its delivery with key focus on 3 main strategic priorities: -

1. Improved Culture & Wellbeing by encouraging and embedding EDI and People Strategies.
2. Create and foster an environment focused on Learning and Delivery.
3. Inspiring a modern and agile working environment.

### Approach to risk management and risk appetite

Grŵp Cynefin's risk management systems have been significantly reviewed and improved during 2024-25, following two reviews by external providers:

- Strategic Risk Management, which derived from the requirements of the Voluntary Undertaking
- Operational Risk Management internal audit

Some of the key changes include establishing a Board Assurance Framework, providing a structured and strategic approach to monitor and manage key risks. Its key objectives were to provide clarity on the key strategic risks, helping the Board to focus on what matters most, thus providing confidence in decision making, accountability and transparency.

The risk register remains with a 'three lines of defence' approach to risk, but was reviewed to include much less risks, providing better clarity and focus on the real key risks, with less granularity. Staff were provided with training, and procedures were reviewed and rolled out. Board papers were also reviewed, and internal monitoring arrangements strengthened. A Board risk appetite exercise was undertaken in July 2024, which will be reviewed during July 2025.

Headline risks include lack of financial viability, failure to comply with laws and regulations, failure to provide effective services to tenants or service users, failure to run an effective business, and damage

## Management Board report

to reputation. All of the risks identified have controls in place to mitigate or manage their impact on the Group, as well as future actions which aim to bring the risks down to its preferred target score.

Grŵp Cynefin's current strategic risks are monitored by the Audit and Risk Committee on a quarterly basis, providing a strategic overview to Board every quarter.

### Internal Financial Control

In accordance with the Welsh Government's Housing Association Circular – 'RSL 02/10: Internal Controls and Reporting', the Management Board acknowledges that it is responsible for the Group's system of internal control and for safeguarding the assets of the Group and hence for taking reasonable steps for the protection and detection of fraud and other irregularities.

The Management Board procures the services of an independent Internal Auditor, to provide it with an objective evaluation and opinion on the overall adequacy and effectiveness of the Group's risk management and internal control. The current Internal Auditor is Mazars, and who commenced on 01/04/22 for a period of 3 years. In 2024-25, their contract was formally extended by 12 months by the Audit and Risk Committee.

The Internal Audit Plan is approved annually by the Audit and Risk Committee. The delivery of the internal audit plan is carried out by outsourced Internal Auditors and the reports are submitted to the Audit and Risk Committee for approval. Progress on the implementation of the recommendations is also reported to the Audit and Risk Committee on a quarterly basis. The Internal Audit plan is based on a balance of risk and systems assessments and is planned to review the system of internal control of all aspects of the Group's activities. The reviews are designed to provide reasonable, but not absolute, assurance regarding the:

- reliability of the financial information presented and used by the Group;
- the maintenance of proper accounting records; and
- safeguarding of the Group's assets against any misuse.

The procedures that have been established which are designed to provide effective internal financial controls are:

- written financial regulations and delegated authorities;
- comprehensive systems of financial reporting including annual budgets and quarterly management accounts being reported to the Finance and Growth Committee and the Board, which shows actual performance against budget and highlighting any variances;
- internal audit reports being submitted to the Audit and Risk Committee, also the progress on the implementation of the recommendations;
- clearly defined management and reporting structures;
- annually revised five-year Business Plan incorporating financial forecasts and
- annually revised thirty-year financial forecast, required by the Welsh Government, submitted to them annually, which extrapolates the financial direction of the Group

During 2024-25, a new KPI was agreed around the target of implementing internal audit recommendations, which was 90% at year end.

### Going Concern

The Group Board has a reasonable expectation that it has adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. The company has reviewed its business plan and carried out stress testing and reviewed its mitigations to ensure it can meet its obligations under various difficult scenarios.

## Management Board report

For this reason, it continues to adopt the going concern basis in preparing the financial statements.

### Corporate Governance

The Grŵp Cynefin Management Board directs the actions of the association in accordance with its objectives and rules and has the prime responsibility for the governance structure of the Group.

#### Amongst its functions shall be:

- defining and ensuring compliance with the organisation's values and strategic objectives
- establishing a framework for approving strategies, policies and plans to achieve those objectives
- satisfying itself as to the integrity of financial information and approving annual budgets and accounts and business plans
- establishing and monitoring a framework for delegation and systems of internal control which are reviewed annually
- establishing a framework for the identification, management and reporting of risk
- taking decisions and agreeing policies on all matters that might create a significant financial or other risk to the organisation or that raise significant issues of principle
- establishing mechanisms for communication and receiving feedback from the organisation's stakeholders and shareholders
- monitoring the organisation's performance and taking timely corrective action if required
- taking overall responsibility for self-assessment and other responsibilities as part of implementing the regulatory framework
- ensuring that the association takes account of any undertaking given by the association to the regulator, or intervention or obligation imposed upon the association by the regulator.
- appointing, managing and dismissing the Chief Executive, or Corporate Directors
- satisfying itself that the organisation's affairs are conducted lawfully and with probity
- establishing a code of conduct for the Management Board
- establishing and operating induction and development programmes and performance appraisal system for the Management Board, and its Sub-committees, the Chair, Vice Chair, and individual Board members
- assuring the effectiveness of governance on a regular basis

Grŵp Cynefin formally adopted new registered rules in their EGM in August 2021, which were based on model rules launched by Community Housing Cymru, in conjunction with Welsh Government and Devonshires Solicitors. Grŵp Cynefin commissioned Devonshires to further facilitate this work, and to support the Board with identifying and understanding the key changes to the previous rules.

The Management Boards of the subsidiaries include appointments by Grŵp Cynefin and independent members elected by the shareholders of the subsidiary for a term of three years, to a maximum of 9 years.

The Grŵp Cynefin Management Board five sub-committees, namely:

- **Audit and Risk Committee** - consisting of members of the Management Boards of Grŵp Cynefin, Canllaw, Gofal a Thrwsio Conwy a Sir Ddinbych and independent members with knowledge and experience relevant to the Committee's remit.
- **Finance and Growth Committee** consisting of members of the Management Boards of Grŵp Cynefin, Canllaw (Eryri) Cyf and Gofal a Thrwsio Conwy a Sir Ddinbych; and independent members with knowledge and experience relevant to the Committee's remit.
- **Customers and Communities Committee** - consisting of members of the Grŵp Cynefin Management Board, tenant members and independent members with knowledge and experience relevant to the Committee's remit.

## Management Board report

- **Gorwel Committee** – consisting of members of the Grŵp Cynefin Management Board and independent members with knowledge and experience relevant to the Committee’s remit.
- **Remuneration and Governance** Committee consisting of the Chairs of each Group Management Board and each Committee, and other Management Board members as necessary. The Committee currently oversees all governance and remuneration matters

As mentioned above, the governance structure was reviewed during 2024-25, operational from the 01/04/25 to the following committees:

- Audit and Risk
- Operations
- Tenants
- People

## Group Structure

Grŵp Cynefin is the parent body of two active subsidiaries, namely ‘Canllaw (Eryri) Cyf’ and ‘Gofal a Thrwsio Conwy a Sir Ddinbych’. It is also a parent to a dormant company called ‘Cywaith Cyf’.

Canllaw is a company limited by guarantee, registered with the Charity Commission and the Welsh Government. The company’s main activity is managing the Gwynedd and Anglesey Care & Repair agency, which organises essential adaptations and minor repairs in the homes of older people, both homeowners and private tenants, so that they can live safely and independently.

Gofal a Thrwsio Conwy a Sir Ddinbych was formed in 2015 by the merger of the Care and Repair agencies in both counties. The new entity is a company limited by guarantee and is registered with the Charity Commission.

A detailed Inter-Group Agreement explains the rights and obligations of the parent body and the subsidiaries to each other and the corporate relationship between them. Grŵp Cynefin does not intend to exercise close operational control over the subsidiaries, but in general, advice will be provided on best practice and adoption of policies. Grŵp Cynefin monitors performance and audits the activities of the subsidiaries. Usually, financial control is exercised by the approval of the subsidiaries’ Business Plans, and through treasury management and budget monitoring.

During 2024-25, new Service Level Agreements were set up, and agreed in relation to the provision of central services provided to the subsidiary companies by Grŵp Cynefin and the fees in relation to these.

Each member of the Group must consider the impact of its own actions on other Group members, where appropriate, to ensure efficient operations and maximise opportunities.

## Subsidiary Companies

Canllaw (Eryri) Cyf remained as a subsidiary during the year. Canllaw operates as a Care and Repair agency across Anglesey and Gwynedd.

Gofal a Thrwsio Conwy a Sir Ddinbych has also remained as a subsidiary during the year. Gofal a Thrwsio Conwy a Sir Ddinbych operates as a Care and Repair agency across Conwy and Denbighshire.

The third subsidiary, Cywaith Cyfyngedig has remained as a dormant company throughout the year.

Further information regarding the status of these companies is listed in note 29.

## **Management Board report**

### **Changes in Fixed Assets**

Details of fixed assets are set out in notes 12 to 15 of the financial statements.

### **Reserves**

The movement in the Group and the Association's reserves can be seen in the Statement of Changes in Reserves.

## **STATEMENT OF BOARD RESPONSIBILITIES**

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Management Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the parent association and the Group and of the Statement of Comprehensive Income for that period. In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, (subject to any material departures disclosed and explained in the financial statements); and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and enable it to ensure that the financial statements comply 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) 2016. The Management Board is also responsible for maintaining an adequate system of internal control and safeguarding the assets of the Group and hence for taking reasonable steps for the protection and detection of fraud and other irregularities.

In so far as the Management Board is aware:

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

Grŵp Cynefin's Annual General Meeting will be held on the 17 September 2025. At this meeting, the Association's 2024-25 Annual Report will be presented for adoption.

## **AUDITOR**

We will appoint the group's auditors in line with the requirements of our registered rules

By order of the Management Board

.....  Secretary – Helen Wyn Jones

## Independent Auditors Report

### OPINION

We have audited the financial statements of Grŵp Cynefin ('the Association') and its subsidiaries ('the Group') for the year ended 31 March 2025 which comprise the Consolidated and Association Statement of Comprehensive Income, the Consolidated and Association Statement of Financial Position, the Consolidated and Association Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2025 and of the Group's and Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we

## Independent Auditors Report

identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by exception

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

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

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

With respect to the Board's statement on internal financial controls on page 20, in our opinion:

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

### Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 23, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Independent Auditors Report

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

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

- We obtained an understanding of laws, regulations and guidance that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

### Use of the audit report

This report is made solely to the Association, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it 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 for our audit work, for this report, or for the opinions we have formed.

*Beever and Struthers*

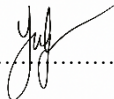
Date : 22 September 2025


Beever and Struthers, Statutory Auditor  
The Colmore Building  
20, Colmore Circus Queensway  
Birmingham  
B4 6AT

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 March 2025**

	Note	2025 £'000	2025 £'000	2024 £'000	2024 £'000
<b>TURNOVER</b>	3		<u>39,872</u>		<u>35,425</u>
Operating expenditure		(34,560)		(30,111)	
Cost of Sales		-		-	
Surplus on disposal of property, plant and equipment	3	463		303	
			<u>(34,097)</u>		<u>(29,808)</u>
<b>OPERATING SURPLUS</b>	10		5,775		5,617
Share of (loss)/profit in joint venture	15		(42)		(39)
Interest receivable	8		173		404
Interest and financing costs	9		(4,426)		(4,635)
			<u>1,480</u>		<u>1,347</u>
<b>SURPLUS BEFORE TAX</b>			1,480		1,347
Taxation	11		-		-
<b>SURPLUS FOR THE YEAR</b>			<u>1,480</u>		<u>1,347</u>
Other comprehensive income					
Actuarial gain/ (loss) on defined benefit pension scheme	26		689		(1,217)
			<u>2,169</u>		<u>130</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<u><u>2,169</u></u>		<u><u>130</u></u>

These financial statements were approved by the Management Board on 10 September 2025  
 Signed on its behalf by:

  
 ..... Tim Jones

  
 .....Secretary – Helen Wyn Jones

  
 ..... Sally Baxter

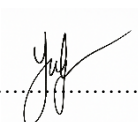
The notes on pages 34 to 66 form part of these financial statements


**ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 March 2025**

	Note	2025 £'000	2025 £'000	2024 £'000	2024 £'000
<b>TURNOVER</b>	3a		<u>36,568</u>		<u>32,524</u>
Operating expenditure		(31,428)		(27,286)	
Cost of sales		-		-	
Surplus on disposal of property, plant and equipment	3a	463		303	
			<u>(30,965)</u>		<u>(26,983)</u>
<b>OPERATING SURPLUS</b>	10		5,603		5,541
Interest receivable	8		141		380
Interest and financing costs	9		(4,426)		(4,621)
<b>SURPLUS BEFORE TAX</b>			<u>1,318</u>		<u>1,300</u>
Taxation	11		-		-
<b>SURPLUS FOR THE YEAR</b>			<u>1,318</u>		<u>1,300</u>
Other comprehensive income: 'Actuarial gain/ (loss) on defined benefit pension scheme'	26		643		(1,109)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<u><u>1,961</u></u>		<u><u>191</u></u>

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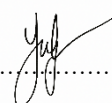
  
 ..... Sally Baxter

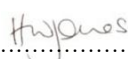
The notes on pages 34 to 66 form part of these financial statements


**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 31 March 2025**

	Note	2025 £'000	2024 £'000
<b>FIXED ASSETS</b>			
Intangible assets	12	333	443
Housing properties	13	344,082	326,559
Other property, plant and equipment	14	10,575	10,222
Investments – Low-cost home ownership loans	15	28,414	26,940
Investments – Joint Venture	15	4,391	4,433
		<u>387,795</u>	<u>368,597</u>
<b>CURRENT ASSETS</b>			
Stock	16	91	88
Debtors	17	5,485	2,934
Debtors: amounts receivable after more than one year	17a	8,503	8,798
Investments	18	1,538	2,926
Cash		11,154	7,061
		<u>26,771</u>	<u>21,807</u>
<b>CREDITORS: amounts falling due within one year</b>	19	<u>(18,045)</u>	<u>(20,959)</u>
<b>NET CURRENT ASSETS</b>		<u>8,726</u>	<u>848</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>396,521</u>	<u>369,445</u>
<b>CREDITORS: amounts falling due after more than one year</b>	20	<u>(358,656)</u>	<u>(332,036)</u>
<b>Provisions for liabilities and charges</b>	20a	<u>(357)</u>	<u>(448)</u>
<b>Defined benefit pension liability</b>	26	<u>(2,854)</u>	<u>(4,476)</u>
<b>NET ASSETS</b>		<u><u>34,654</u></u>	<u><u>32,485</u></u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	23	-	-
Revenue reserve		34,632	32,460
Restricted reserve		22	25
<b>TOTAL RESERVES</b>		<u><u>34,654</u></u>	<u><u>32,485</u></u>

These financial statements were approved by the Management Board on 17 September 2025  
 Signed on its behalf by:

 ..... Tim Jones

 ..... Secretary – Helen Wyn Jones

 ..... Sally Baxter

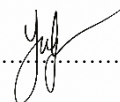
The notes on pages 34 to 66 form part of these financial statements


**ASSOCIATION STATEMENT OF FINANCIAL POSITION**  
**For the year ended 31 March 2025**

	Note	2025 £'000	2024 £'000
<b>FIXED ASSETS</b>			
Intangible assets	12	333	443
Housing properties	13	344,082	326,559
Other property, plant and equipment	14a	10,542	10,172
Investments – Low-cost home ownership loans	15	28,414	26,940
Investments – Joint Venture	15	5,502	5,502
		<u>388,873</u>	<u>369,615</u>
<b>CURRENT ASSETS</b>			
Stock	16	-	-
Debtors	17	5,326	2,619
Debtors: amounts receivable after more than one year	17a	8,503	8,798
Investments	18	1,538	2,926
Cash		9,826	5,944
		<u>25,193</u>	<u>20,287</u>
<b>CREDITORS: amounts falling due within one year</b>	19	<u>(17,878)</u>	<u>(20,705)</u>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<u>7,315</u>	<u>(418)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		396,188	369,197
<b>CREDITORS: amounts falling due after more than one year</b>	20	(358,656)	(332,035)
<b>Provisions for liabilities and charges</b>	20a	(357)	(448)
<b>Defined benefit pension liability</b>	26	(2,594)	(4,094)
		<u>34,581</u>	<u>32,620</u>
<b>NET ASSETS</b>		<u>34,581</u>	<u>32,620</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	23	-	-
Revenue reserve		34,581	32,620
Restricted reserve		-	-
<b>TOTAL RESERVES</b>		<u>34,581</u>	<u>32,620</u>

These financial statements were approved by the Management Board on 17 September 2025

Signed on its behalf by:

 ..... Tim Jones

 ..... Secretary – Helen Wyn Jones

 ..... Sally Baxter

The notes on pages 34 to 66 form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES**  
**For the year ended 31 March 2025**

	<b>Hardship Fund (restricted)</b>	<b>Revenue Reserve</b>	<b>Total 2025</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 April 2024	25	32,460	32,485
Surplus for the year	-	1,480	1,480
Transfer in the Year	(3)	3	-
Other comprehensive income			
• Actuarial gain	-	689	689
	<hr/>	<hr/>	<hr/>
Reserves at 31 March 2025	<b>22</b>	<b>34,632</b>	<b>34,654</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	<b>Hardship Fund (restricted)</b>	<b>Revenue Reserve</b>	<b>Total 2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 April 2023	28	32,327	32,355
Surplus for the year	-	1,347	1,347
Transfer in the Year	(3)	3	0
Other comprehensive income			
• Actuarial loss	-	(1,217)	(1,217)
	<hr/>	<hr/>	<hr/>
Reserves at 31 March 2024	<b>25</b>	<b>32,460</b>	<b>32,485</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 34 to 66 form part of these financial statements

**ASSOCIATION STATEMENT OF CHANGES IN RESERVES**  
**For the year ended 31 March 2025**

	<b>Revenue Reserve</b>	<b>Total 2025</b>
	<b>£'000</b>	<b>£'000</b>
At 1 April 2024	32,620	32,620
Surplus for the year	1,318	1,318
Other comprehensive income		
• Actuarial gain	643	643
	<hr/>	<hr/>
Reserves at 31 March 2025	<b>34,581</b>	<b>34,581</b>
	<hr/> <hr/>	<hr/> <hr/>

	<b>Revenue Reserve</b>	<b>Total 2024</b>
	<b>£'000</b>	<b>£'000</b>
At 1 April 2023	32,429	31,429
Surplus for the year	1,300	1,300
Other comprehensive income		
• Actuarial loss	(1,109)	(1,109)
	<hr/>	<hr/>
Reserves at 31 March 2024	<b>32,620</b>	<b>32,620</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 34 to 66 form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the year ended 31 March 2025**

	Note	2025 £'000	2024 £'000
<b>Net cash generated from operating activities</b>	27	<b>4,653</b>	<b>4,976</b>
<b>Cash flows from investing activities</b>			
Purchase and construction of housing properties		(14,428)	(17,337)
Sale of housing properties		667	303
Social housing grant received		10,196	14,852
Purchase of other fixed assets		(666)	(189)
Component replacements		(6,480)	(661)
Sale of other fixed assets		213	836
Other fixed assets grant disposals		(819)	59
Investment in Low-cost home ownership loans		(1,474)	(1,033)
Interest received		173	404
<b>Net cash from investing activities</b>		<b>(12,618)</b>	<b>(2,766)</b>
<b>Cash flows from financing activities</b>			
Loans received		15,300	(67)
Repayment of borrowings		(631)	(4,349)
Interest paid		(3,999)	(4,470)
<b>Net cash from financing activities</b>		<b>10,670</b>	<b>(8,886)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>2,705</b>	<b>(6,676)</b>
Cash and cash equivalents at the beginning of year		9,987	16,663
<b>Cash and cash equivalents at end of year</b>		<b>12,692</b>	<b>9,987</b>

The notes on pages 34 to 66 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2025****1. ACCOUNTING POLICIES****Legal Status**

Grŵp Cynefin is incorporated in England and Wales under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Welsh Government as a Private Housing Association (number L029). The registered office is Tŷ Silyn, Y Sgwâr, Penygroes, LL54 6LY. Grŵp Cynefin's principal activity is to provide social housing. 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 in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2018 (SORP), the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015, the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 and the Housing and Regeneration Act 2008.

**Basis of consolidation**

The Group financial statements consolidate the financial statements of the parent Association and its subsidiary undertakings drawn up to 31 March each year.

**Acquisitions**

Business combinations that are considered to be acquisitions are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

**Public benefit entity combinations**

Combinations carried out at nil consideration are accounted for so that any excess of fair value of the assets received over the fair value of the liabilities assumed is recognised as income within the Statement of Comprehensive Income.

**Joint venture**

Entities in which the Group holds an interest and which are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the Group financial statements, joint ventures are accounted for using the equity method. In the parent Association financial statements investments in joint ventures are accounted for at cost less impairment and dividends receivable. The Group assesses at each reporting date whether there is any indication of impairment.

Government grants received in respect of investments in the Welsh Housing Partnership and the properties leased are accounted for on the basis that they have provided by the government to fund part of the investment in the Partnership joint venture. It is considered that the Group will only realise the benefit of the grant if and when the investment is redeemed. On receipt of the grant, this is a government grant received in advance and therefore recognised as deferred income in the Statement of Financial Position up until the point the related Investment is redeemed.

**Property, plant and equipment - housing properties**

Housing properties are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs and borrowing costs directly attributable to the construction of new housing properties during the development. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

Depreciation is charged in order 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.

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:

	Years
Main structure	150
Other components:	
Kitchens	15
Bathrooms	25
Roof	70
Windows	25
External doors	25
Heating - boilers	13
Heating – wet systems	25
Electrics	30

Components on leasehold land are depreciated over the shortest of the above and the remaining lease term. Freehold land is not depreciated.

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are 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 surplus or deficit in the Statement of Comprehensive Income.

### Non-housing property, plant and equipment

Non-housing property, plant and equipment are 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, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

	Years
Office equipment & furniture	5
Computer hardware and software	4
Motor vehicles	3

Other various equipment charged through services charges are depreciated at different rates according to their type.

### Intangible assets

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

Housing software	10 year
------------------	---------

### Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 March 2025

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in surplus or deficit in the Statement of Comprehensive Income.

#### **Social Housing Grant and other Government grants**

Government grants are recognised using the accrual model and are classified as either a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred 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 housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

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

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

Where a donation of land and/or other assets is received or acquisitions of land and/or other assets at below their market value from a third party that does not meet the definition of a government source the transaction is recognised as an asset in the Statement of Financial Position at fair value, taking account of any restrictions on the use of the asset and income equivalent to the difference between any amounts paid or payable for the asset and the fair value of the asset is recognised in 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 towards the costs of housing assets over a period of 30 years to subsidise the capital and interest costs for the provision of affordable housing. The net present value of the HFG receivable over the agreed payment term is recognised as a capital grant and a deferred debtor.

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

The capital grant element of HFG previously received is deemed 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

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

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

### HomeBuy

HomeBuy loans meet the definition of a public benefit entity concessionary loan and are recognised in the Statement of Financial Position at the amount paid. HomeBuy grants provided by the Welsh Government to fund all or part of a HomeBuy loan provided by the Group to the purchaser of the housing property are government grants received in advance and recognised as deferred income in the Statement of Financial Position until the point the related HomeBuy loan is redeemed. When the HomeBuy loan is redeemed, the respective HomeBuy grant is recognised in the recycled capital grant fund.

### Shared ownership property sales

Shared ownership properties are split between non-current assets and current assets. The split is determined by the percentage of the property to be sold under the first tranche disposal, which is shown on initial recognition as a current asset, with the remainder classified as a non-current asset within property plant and equipment.

### Rent to Own and Shared ownership Rent to Own

Rent to Own properties, including those under construction, are initially accounted for as non-current assets. Twenty five percent of the rent is treated as current assets and the remainder is treated as rent. If the option to purchase the property is exercised, then the value accrued within current assets is transferred to the tenant to be utilised as a deposit, and the property is sold to the tenant at the Current Market Value. If at the end of the five years the tenant decides not to take the option, then the amount accrued in current assets is then recognised as rental income in the Statement of Comprehensive income.

Shared ownership Rent to Own is accounted for by combining the principles of Shared Ownership, whereby the amount that is rented to the tenant is treated as Rent to Own.

### Restricted reserves

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

### Operating leases

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

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

### Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition.

**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2025****Taxation**

Grŵp Cynefin is treated as a charitable organisation for tax purposes. This was confirmed by HM Revenue & Customs (HMRC) on 11 March 2005, ref no XR85179. Consequently, the surpluses derived from primary activities are exempt from taxation. This treatment is reviewed annually in line with the activities undertaken by the organisation to ensure the exemption still applies.

**Pensions**

Grŵp Cynefin and Canllaw (Eryri) Cyf participate in the Social Housing Pension Scheme (SHPS), which is a multi-employer pension scheme. Gofal a Thrwsio Conwy a Sir Ddinbych participates in a Defined Contributions scheme with NEST.

**Multi-employer defined benefit pension scheme – Social Housing Pension Scheme**

The Group participates in the Social Housing Pension Scheme ('SHPS'), a defined benefit multiemployer pension scheme administered by TPT Retirement Solutions ('TPT').

The cost of the defined benefit pension plan is determined using an actuarial valuation with scheme liabilities measured using the projected unit credit method and discounted at appropriate high quality corporate bond rates. The scheme assets are measured at fair value. The net surplus or deficit is recognised on the statement of financial position. The finance cost is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income. '

**Defined contribution scheme**

The Group 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.

**Turnover**

Turnover represents rents and service charges receivable (net of rent and service charge losses from voids) and disposal proceeds of current assets such as shared ownership properties together with revenue grants from Welsh Government and local authorities.

Proceeds from first tranche disposals are accounted for as turnover in the Statement of Comprehensive Income of the period in which the disposal occurs and the cost of sale is transferred from current assets to operating costs. Proceeds from subsequent tranche sales are treated as disposals of fixed assets.

**Investments**

Investments that are publicly traded or whose fair value can be measured reliably are measured at fair value with changes in fair value recognised in surplus or deficit in the Statement of Comprehensive Income. Other investments are measured at amortised cost less impairment.

**Financial instruments****Financial assets carried at amortised cost**

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. At the reporting date, the effect of discounting is not material to the value of the financial assets of Grŵp Cynefin, therefore discounting is omitted.

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

**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2025**Financial liabilities carried at amortised cost

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

Loans, which are classified as basic financial instruments under FRS102, are measured at amortised cost using the effective interest method, with interest and related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

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

**2. SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements requires management to make judgments, 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 judgments 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 Group that have the most significant effect on the amounts recognised in the financial statements.

Impairment of social housing properties

The Group 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. An assessment has been made to consider the fair value of the social housing properties, their future cash flows and service potential.

Capitalisation of housing property & other development costs

The Group capitalises development expenditure in accordance with the accounting policy on housing properties and other fixed assets. The capitalisation requires a range of judgements, such as setting the period over which interest can be capitalised, calculating the amount of staff time and overheads which should be capitalised and establishing which associated development costs should be capitalised and which costs should be written off. Judgement is also exercised over the likelihood that projects will continue.

**Estimation uncertainty**

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

Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. Variations in these assumptions could significantly impact the liability (see note 26)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2025**

Components of housing properties and useful lives

Major components of housing properties have significantly different patterns of consumption of economic benefits and estimates are made to allocate the initial cost of the property to its major components and to depreciate each component separately over its useful economic life. The Group considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2025**
**3. CONSOLIDATED TURNOVER AND OPERATING COSTS**

	2025			2024		
	Turnover	Operating Costs	Operating Surplus/(deficit)	Turnover	Operating Costs	Operating Surplus/(deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income and expenditure on lettings (Note 4)</b>	32,343	(26,169)	6,174	28,247	(22,117)	6,130
<b>Other income and expenditure</b>						
Affordable Homes team	205	(847)	(642)	207	(772)	(565)
Conwy Homeless Scheme	42	(42)	-	41	(41)	-
Development services	-	(811)	(811)	-	(781)	(781)
Gorwel	2,589	(2,670)	(81)	2,657	(2,666)	(9)
HWB	181	(176)	5	157	(140)	17
Rural Housing Enablers	153	(129)	24	183	(180)	3
Other Income and Expenditure	848	(367)	481	775	(339)	436
Enterprise Centre	134	(117)	17	128	(117)	11
Energy Wardens	45	(51)	(6)	59	(55)	4
Y Shed, Meliden	28	(49)	(21)	70	(78)	(8)
Canllaw (Eryri) Cyf	1,596	(1,490)	106	1,371	(1,351)	20
Gofal a Thrwsio Conwy a Sir Ddinbych	1,708	(1,642)	66	1,530	(1,474)	56
<b>Total</b>	<b>39,872</b>	<b>(34,560)</b>	<b>5,312</b>	<b>35,425</b>	<b>(30,111)</b>	<b>5,314</b>
Surplus on disposal of property, plant and equipment			463			303
<b>Operating Surplus</b>			<b>5,775</b>			<b>5,617</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2025**

## 3a ASSOCIATION TURNOVER AND OPERATING COSTS

	Turnover	2025 Operating Costs	Operating Surplus/(deficit)	Turnover	2024 Operating Costs	Operating Surplus/(deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income and expenditure on lettings (Note 4)</b>	32,343	(26,169)	6,174	28,247	(22,117)	6,130
<b>Other income and expenditure</b>						
Affordable Homes team	205	(847)	(642)	207	(772)	(565)
Conwy Homeless Scheme	42	(42)	-	41	(41)	-
Development services	-	(811)	(811)	-	(781)	(781)
Gorwel	2,589	(2,670)	(81)	2,657	(2,666)	(9)
HWB	181	(176)	5	157	(140)	17
Rural Housing Enablers	153	(129)	24	183	(180)	3
Other Income and Expenditure	848	(367)	481	775	(339)	436
Enterprise Centre	134	(117)	17	128	(117)	11
Energy Wardens	45	(51)	(6)	59	(55)	4
Y Shed, Meliden	28	(49)	(21)	70	(78)	(8)
Total	<u>36,568</u>	<u>(31,428)</u>	<u>5,140</u>	<u>32,524</u>	<u>(27,286)</u>	<u>5,238</u>
Surplus on disposal of property, plant and equipment			<u>463</u>			<u>303</u>
Operating Surplus			<u>5,603</u>			<u>5,541</u>

**NOTES TO THE FINANCIAL STATEMENTS**
**Year ended 31 March 2025**
**4. TURNOVER FROM LETTINGS**

			2025	2024
	<b>General Needs £'000</b>	<b>Supported Housing £'000</b>	<b>Total £'000</b>	<b>Total £'000</b>
Rents	22,737	1,848	24,585	22,892
Service charge	2,740	92	2,832	2,160
	25,477	1,940	27,417	25,052
Other Government Grants	2,125	-	2,125	451
Amortisation of grant	2,801	-	2,801	2,744
Total income	<u>30,403</u>	<u>1,940</u>	<u>32,343</u>	<u>28,247</u>
<b>Operating costs of lettings</b>				
Services	2,754	93	2,847	2,406
Management	4,214	946	5,160	5,042
Day-to-day maintenance	6,335	409	6,744	5,793
Planned maintenance	6,104	389	6,493	4,082
Community development	406	26	432	580
Depreciation of housing properties	3,985	255	4,240	4,079
Impairment	-	-	-	-
	23,798	2,118	25,916	21,982
<b>Losses from bad debts</b>	<u>253</u>	<u>-</u>	<u>253</u>	<u>135</u>
<b>Total expenditure</b>	<u>24,051</u>	<u>2,118</u>	<u>26,169</u>	<u>22,117</u>
<b>Operating surplus</b>	<u>6,352</u>	<u>(178)</u>	<u>6,174</u>	<u>6,130</u>
Void Losses	<u>454</u>	<u>23</u>	<u>477</u>	<u>420</u>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

### 5. UNITS UNDER MANAGEMENT

As at the end of the year, the Group had the following number of properties under management:

	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>
General Needs rented units (including social rented, intermediate rented and ‘try before you buy’)	3,526	3,506
Supported Housing rented units	340	344
Extra Care units	239	206
Shared Ownership units: rented	23	23
Welsh Housing Partnership units	142	142
Rent to Own	16	17
Managed on behalf of the Charity Elizabeth Owen	7	7
Managed on behalf of the Charity Tai Ellen Glynne	10	10
	<u>4,303</u>	<u>4,255</u>

### 6. DIRECTORS’ EMOLUMENTS

The emoluments paid to the highest paid officer, namely the Chief Executive Officer, were £135K excluding pension contributions (2024- £105K). The pension for the Chief Executive (who was an ordinary member of the pension scheme) is on the same basis as for all other employees and amounts to £10K (2024 - £9K); whilst other benefits namely travel provision amounted to £6K (2024 - £2K).

During the year the number of persons, including the highest paid, who received emoluments (excluding national insurance, pension contributions and redundancy pay) in the following range was:

	<b>2025</b>	<b>2024</b>
	<b>£’000</b>	<b>£’000</b>
£30,001 - £40,000	-	1
£40,001 - £50,000	1	-
£50,001 - £60,000	1	1
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	1	-

The Management Team’s emoluments and pension:

	<b>2025</b>	<b>2024</b>
	<b>£’000</b>	<b>£’000</b>
Wages and salaries	406	276
Social security costs	47	35
Pension	30	23
	<u>483</u>	<u>334</u>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

During the year fees of £65,138 were paid to the Management Board members (2024 – £60,223). In accordance with the Welsh Federation of Housing Associations (WFHA) Code of Conduct, the Board has established a policy and procedure in relation to the payment of expenses to Board members. The Association is prepared to reimburse out of pocket expenses incurred on Association business.

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Total Management Board member expenses claimed	1	2

### 7. EMPLOYEE INFORMATION

The average number of persons, full time equivalent, (including senior executives) employed during the year:

	<b>Group</b>	<b>Group</b>	<b>Association</b>	<b>Association</b>
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Administrative staff	250	247	218	219
Wardens	9	9	9	9
Workforce	20	21	5	6
	<u>279</u>	<u>277</u>	<u>232</u>	<u>234</u>
Staff costs were as follows:	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Wages and salaries*	9,769	9,075	8,246	7,726
Social security costs and levy	1,050	917	909	800
Pension contributions	244	230	141	137
Actuarial adjustments	<u>11,063</u>	<u>10,222</u>	<u>9,296</u>	<u>8,663</u>

\* The wages and salaries figure excludes redundancy payments made for loss of office. In 2025 the total was £58K (2024 - £72K).

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

### 8. INTEREST RECEIVABLE

	<b>Group 2025 £'000</b>	<b>Group 2024 £'000</b>	<b>Association 2025 £'000</b>	<b>Association 2024 £'000</b>
Interest on bank and money market accounts	173	403	141	379
Other interest	-	1	-	1
	<u>173</u>	<u>404</u>	<u>141</u>	<u>380</u>

### 9. INTEREST PAYABLE

	<b>Group 2025 £'000</b>	<b>Group 2024 £'000</b>	<b>Association 2025 £'000</b>	<b>Association 2024 £'000</b>
Interest on loans	4,573	4,517	4,589	4,517
Interest capitalised	(497)	(250)	(497)	(250)
Interest paid on defined benefit pension liability	192	175	176	161
Other finance charges	158	193	158	193
	<u>4,426</u>	<u>4,635</u>	<u>4,426</u>	<u>4,621</u>

### 10. OPERATING SURPLUS

The operating surplus is stated after charging the following:

	<b>Group 2025 £'000</b>	<b>Group 2024 £'000</b>	<b>Association 2025 £'000</b>	<b>Association 2024 £'000</b>
Depreciation - assets owned by the Association	4,420	4,376	4,392	4,346
Amortisation – capitalised grants	(2,801)	(2,744)	(2,801)	(2,744)
External auditor's remuneration (ex-VAT):				
- In their capacity as auditors	60	33	50	33
- Other services	1	2	1	2
	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>

### 11. CORPORATION TAX

#### Parent Association

Certain activities within Grŵp Cynefin are liable to UK Corporation Tax, although it has charitable status with HMRC and is entitled to the exemptions afforded by Section 505 of the Income and Corporation Taxes Act 1988.

#### Subsidiary entities

Certain activities within Canllaw (Eryri) Cyfyngedig and Gofal a Thrwsio Conwy a Sir Ddinbych are liable to UK Corporation Tax, although they are exempt charities, entitled to the exemptions afforded by Section 505 of the Income and Corporation Taxes Act 1988.

Cywaith Cyfyngedig is a dormant company and would be liable to UK Corporation Tax as it is a registered company.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2025**
**12. FIXED ASSETS – INTANGIBLE ASSETS**

	<b>Group and Association</b>	
	<b>Housing Software £'000</b>	<b>Total £'000</b>
<b>Cost</b>		
At 1 April 2024	1,124	1,124
	<hr/>	<hr/>
At 31 March 2025	1,124	1,124
	<hr/>	<hr/>
<b>Depreciation</b>		
At 1 April 2024	681	681
Charge for the year	110	110
	<hr/>	<hr/>
At 31 March 2025	791	791
	<hr/>	<hr/>
<b>Net book value</b>		
At 31 March 2025	333	333
	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2024	443	443
	<hr/> <hr/>	<hr/> <hr/>

**GRŴP CYNEFIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2025**

**13. TANGIBLE FIXED ASSETS**  
**HOUSING PROPERTIES – GROUP AND ASSOCIATION**

	Rented housing		Shared o'ship	Leased properties		Total
	Completed schemes	Schemes under construction		Completed Schemes	Long lease	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 April 2024	340,885	21,158	3,958	9,838	72	375,911
Additions	-	14,428	-	-	-	14,428
Schemes completed during the year	21,416	(21,429)	-	13	-	-
Component additions to existing properties	7,205	-	-	335	-	7,540
Components removed	(1,029)	-	-	(31)	-	(1,060)
Disposals	(219)	-	-	-	-	(219)
At 31 March 2025	368,258	14,157	3,958	10,155	72	396,600
<b>Depreciation</b>						
At 1 April 2024	45,507	-	787	2,991	67	49,352
Charge for the year	3,844	-	8	159	-	4,011
Components removed	(808)	-	-	(23)	-	(831)
Disposals	(14)	-	-	-	-	(14)
At 31 March 2025	48,529	0	795	3,127	67	52,518
<b>Net book value</b>						
At 31 March 2025	319,729	14,157	3,163	7,028	5	344,082
At 31 March 2024	295,378	21,158	3,171	6,947	5	326,559

The additions to housing properties include capitalised development staff expenditure of £586K (2024 - £556K) and capitalised interest expenditure of £497K (2024 - £250K). The cost of component additions includes capitalised staff costs of £167K (2024 £80K).

Component additions to existing properties include £223K of TACP (Transitional Accommodation Capital Grant Funding Programme), £3.05M of ORP (Optimised RetroFit Programme) and an additional £231K of improvement grants.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2025**
**14. CONSOLIDATED TANGIBLE FIXED ASSETS – OTHER FIXED ASSETS**

	<b>Freehold offices and Community Buildings £'000</b>	<b>Furniture and equipment £'000</b>	<b>Housing capital £'000</b>	<b>Computer equipment £'000</b>	<b>Leasehold office £'000</b>	<b>Motor vehicles £'000</b>	<b>Service charge equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>								
At 1 April 2024	10,959	449	35	1,803	64	218	177	<b>13,705</b>
Additions		1	-	99	-	-	566	<b>666</b>
Disposals	(42)	(4)	-	(167)	-	-	-	<b>(213)</b>
At 31 March 2025	<u>10,917</u>	<u>446</u>	<u>35</u>	<u>1,735</u>	<u>64</u>	<u>218</u>	<u>743</u>	<b>14,158</b>
<b>Depreciation</b>								
At 1 April 2024	1,145	443	35	1,506	64	187	102	<b>3,482</b>
Charge for the year	111	2	-	128	-	16	42	<b>299</b>
Disposals	(27)	(4)	-	(167)	-	-	-	<b>(198)</b>
Impairment	-	-	-	-	-	-	-	<b>-</b>
At 31 March 2025	<u>1,229</u>	<u>441</u>	<u>35</u>	<u>1,467</u>	<u>64</u>	<u>203</u>	<u>144</u>	<b>3,583</b>
<b>Net book value</b>								
At 31 March 2025	<u>9,688</u>	<u>5</u>	<u>-</u>	<u>268</u>	<u>-</u>	<u>15</u>	<u>599</u>	<b>10,575</b>
At 31 March 2024	<u>9,814</u>	<u>5</u>	<u>-</u>	<u>297</u>	<u>-</u>	<u>31</u>	<u>75</u>	<b>10,222</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2025**
**14 a. ASSOCIATION TANGIBLE FIXED ASSETS – OTHER FIXED ASSETS**

	<b>Freehold offices and Community Buildings £'000</b>	<b>Furniture and equipment £'000</b>	<b>Housing capital £'000</b>	<b>Computer equipment £'000</b>	<b>Leasehold office £'000</b>	<b>Motor vehicles £'000</b>	<b>Service charge equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>								
At 1 April 2024	10,959	373	35	1,704	64	127	177	<b>13,439</b>
Additions	-	-	-	89	-	-	566	<b>655</b>
Disposals	(42)	(4)	-	(156)	-	-	-	<b>(202)</b>
Reclassification								
At 31 March 2025	<u>10,917</u>	<u>369</u>	<u>35</u>	<u>1,637</u>	<u>64</u>	<u>127</u>	<u>743</u>	<b><u>13,892</u></b>
<b>Depreciation</b>								
At 1 April 2024	1,145	368	35	1,426	64	127	102	<b>3,267</b>
Charge for the year	111	1	-	116	-	-	42	<b>270</b>
Disposals	(27)	(4)	-	(156)	-	-	-	<b>(187)</b>
Impairment	-	-	-	-	-	-	-	<b>-</b>
At 31 March 2025	<u>1,229</u>	<u>365</u>	<u>35</u>	<u>1,386</u>	<u>64</u>	<u>127</u>	<u>144</u>	<b><u>3,350</u></b>
<b>Net book value</b>								
At 31 March 2025	<u>9,688</u>	<u>4</u>	<u>-</u>	<u>251</u>	<u>-</u>	<u>-</u>	<u>599</u>	<b><u>10,542</u></b>
At 31 March 2024	<u>9,814</u>	<u>5</u>	<u>-</u>	<u>278</u>	<u>-</u>	<u>-</u>	<u>75</u>	<b><u>10,172</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**
**Year ended 31 March 2025**
**15. FIXED ASSETS - INVESTMENTS**

	Low-cost home ownership loans (note 25) £'000	Interest in Joint venture £'000	Total £'000
<b>Consolidated</b>			
At 1 April 2024	26,940	4,433	31,373
Additions	2,364	-	2,364
Disposals	(890)	-	(890)
Share in joint venture	-	(42)	(42)
	<u>28,414</u>	<u>4,391</u>	<u>32,805</u>
At 31 March 2025	<u>28,414</u>	<u>4,391</u>	<u>32,805</u>
<b>Association</b>			
At 1 April 2024	26,940	5,502	32,442
Additions	2,364	-	2,364
Disposals	(890)	-	(890)
	<u>28,414</u>	<u>5,502</u>	<u>32,916</u>
At 31 March 2025	<u>28,414</u>	<u>5,502</u>	<u>32,916</u>

The Welsh Housing Partnership Limited (WHP) and WHP2 are joint ventures between four housing Groups, Pennant Housing (Beacon Group), Hendre Group, Pobl Group and Grŵp Cynefin with the objective of providing quality residential housing at sub-market rent.

The issued and paid-up share capital at 31 March 2025 is as follows:

	Original WHP shares	WHP Tfr to Reserves	WHP Shares	Original WHP2 shares	WHP Tfr to Reserves	WHP2 Shares	Equity %
Hendre Ltd (Hendre Group)	8,880	(3,989)	4,891	7,625	(915)	6,710	30%
Pennant Housing Association Ltd (Beacon Group)	8,880	(3,989)	4,891	7,625	(915)	6,710	30%
Pobl Group Limited	8,880	(3,989)	4,891	7,625	(915)	6,710	30%
Grŵp Cynefin	2,960	(1,330)	1,630	2,542	(305)	2,237	10%
At 31 March 2025	<u>29,600</u>	<u>(13,297)</u>	<u>16,303</u>	<u>25,417</u>	<u>(3,050)</u>	<u>22,367</u>	<u>100%</u>

The WHP and WHP2 have a 31 December financial year-end. The latest published audited financial statements for the year ended 31 December 2024 show a combined loss of £42K (£420K @ 10%) in the Joint Venture. WHP recorded a profit after tax of £1K (2023 – profit of £28K) whilst WHP2 made a loss after tax of £421K (2023 – loss of £419K). During the year Grŵp Cynefin and the associated partners did not invest further in WHP or WHP2 Limited.

**NOTES TO THE FINANCIAL STATEMENTS**
**Year ended 31 March 2025**

	<b>WHP £'000</b>	<b>WHP2 £'000</b>	<b>Total £'000</b>
<b>Consolidated</b>			
At 1 April 2024	1,904	2,529	4,433
Additions	-	-	-
Share of loss	-	(42)	(42)
	<hr/>	<hr/>	<hr/>
At 31 March 2025	<u>1,904</u>	<u>2,487</u>	<u>4,391</u>
<b>Association</b>			
At 1 April 2024	2,960	2,542	5,502
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2025	<u>2,960</u>	<u>2,542</u>	<u>5,502</u>
Cost per share (each share carries one vote)	£1	£1	£1

All borrowings within WHP are on fixed rates. During the year WHP2 repaid all its variable rate loans and replaced them with fixed rate loans.

As at 31 March 2025, Grŵp Cynefin had a prepayment of £310K (2024-£108K) for lease/rent payments to WHP and WHP2.

No transfer was made from WHP's share capital to their reserves in their year ending 31 December 2024 (2023 – nil), at the same time no distribution was made to their shareholders (2023 – nil). WHP2 had a capital reduction of £3.05M during the year, which had a corresponding effect on its reserves.

FRS 102 requires the treatment of jointly controlled entities to follow equity accounting principles in Group accounts, so the consolidated financial statements show a loss £42K (2023- loss of £39K) in the Statement of Comprehensive Income comprising Grŵp Cynefin's percentage share in the Welsh Housing Partnership's profit for the year and Grŵp Cynefin's percentage share in WHP2, loss for the year.

**16. STOCK**

	<b>Group</b>		<b>Association</b>	
	<b>2025 £'000</b>	<b>2024 £'000</b>	<b>2025 £'000</b>	<b>2024 £'000</b>
Properties for sale	-	-	-	-
Other stock	91	88	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>91</u>	<u>88</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**
**Year ended 31 March 2025**
**17. DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR**

	<b>Group</b>		<b>Association</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Rent debtors: Debit balances	1,189	977	1,189	977
Bad debt provision	(1,078)	(903)	(1,078)	(903)
	<u>111</u>	<u>74</u>	<u>111</u>	<u>74</u>
Staff loans	9	25	9	25
Prepayments and accrued income	999	757	983	750
Loans to First Time Buyers from Flintshire Co. Council	100	100	100	100
Other debtors	4,266	1,978	4,123	1,670
	<u>5,485</u>	<u>2,934</u>	<u>5,326</u>	<u>2,619</u>

**17a. DEBTORS: AMOUNTS RECEIVABLE AFTER MORE THAN ONE YEAR**

	<b>Group and Association</b>	
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Capital grants	<u>8,503</u>	<u>8,798</u>

**18. CURRENT ASSET INVESTMENTS**

	<b>Group and Association</b>	
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Money in short-term deposit accounts	<u>1,538</u>	<u>2,926</u>

**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2025****19. CREDITORS: AMOUNTS PAYABLE WITHIN ONE YEAR**

	<b>Group</b>		<b>Association</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Housing loans (note 21)	1,651	625	1,651	625
Rent received in advance	488	601	488	601
Trade creditors	4,631	2,514	4,786	2,442
Capital grants in advance	3,993	11,610	3,850	11,456
Deferred Income	1,219	1,219	1,219	1,219
Taxation and social security	218	200	218	200
Mortgage and loan interest accrued	713	623	713	623
Accruals	2,012	816	1,833	788
Social Housing and other Government Grants (note 22)	3,120	2,751	3,120	2,751
	<u>18,045</u>	<u>20,959</u>	<u>17,878</u>	<u>20,705</u>

**20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group and Association</b>	
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Right to buy reserves	83	83
Recycled capital grant fund	8,322	8,162
Conwy Council recycled grant reserve	1	1
Housing loans (note 21)	142,238	128,450
Loan from Flintshire County Council – First Time Buyer Agreement	100	100
Deferred Income	768	829
Social Housing and other Government grants (note 22)	207,144	194,410
	<u>358,656</u>	<u>332,035</u>

Housing loans are repayable to various Building Societies, Banks, The Housing Finance Corporation Limited and the Affordable Housing Finance PLC. The interest rate payable and the amounts repayable are analysed below. The average interest rate payable during the year was 3.64% (2024 – 3.62%). Security offered for the loans is housing land and buildings.

**NOTES TO THE FINANCIAL STATEMENTS**
**Year ended 31 March 2025**
**20a. PROVISIONS FOR LIABILITIES AND CHARGES**
**Group and Association**

	<b>Additional property sale costs £'000</b>	<b>Major renovation £'000</b>	<b>Total £'000</b>
At 1 April 2024	399	49	448
Utilised in the year	(39)	(52)	(91)
Provided for in the year	(243)	243	-
At 31 March 2025	<u>117</u>	<u>240</u>	<u>357</u>

The additional property sale costs relate to additional works to be undertaken to make good properties built for re-sale. The major renovation provision is to make good a relatively newly acquired site.

**21. ANALYSIS OF HOUSING LOANS**

	<b>Group and Association</b>	
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
The debt is repayable as follows:		
Due between one and two years	602	1,651
Due between two and five years	22,734	1,624
After five years	120,593	126,311
Loan fees	(1,691)	(1,136)
	<u>142,238</u>	<u>128,450</u>
Due within one year (note 19)	1,651	625
	<u>143,889</u>	<u>129,075</u>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

## 22. GOVERNMENT GRANTS

## Group and Association

	Housing Properties £'000	Other Fixed Assets £'000	Investments £'000	Total £'000
<b>Deferred income - Grants</b>				
At 1 April 2024	202,226	4,286	30,385	236,897
Grants receivable	14,368	-	2,499	16,867
Grant disposals	(88)	-	(890)	(978)
At 31 March 2025	216,506	4,286	31,994	252,786
<b>Amortisation</b>				
At 1 April 2024	39,266	470	-	39,736
Amortisation	2,758	43	-	2,801
Grant disposals	(15)	-	-	(15)
At 31 March 2025	42,009	513	-	42,522
<b>Net book value</b>				
At 31 March 2025	174,497	3,773	31,994	210,264
At 31 March 2024	162,960	3,816	30,385	197,161
Due within one year				3,120
Due after one year				207,144

	RCG* £'000	Right to Acquire RCG* £'000	Total £'000
<b>Consolidated and Association</b>			
At 1 April 2024	8,162	83	8,245
Additions	1,006	-	1,006
	9,168	83	9,251
Recycled: New build	-	-	-
Recycled: Homebuy	(846)	-	(846)
At 31 March 2025	8,322	83	8,405

\* RCG = Recycled Capital Grant fund

## 23. SHARE CAPITAL

	Group and Association	
	2025	2024
Allotted, issued and fully paid, ordinary shares of £1 each	£	£
At 1 April 2024	44	52
Additions	3	5
Deductions	(2)	(13)
At 31 March 2025	45	44

**NOTES TO THE FINANCIAL STATEMENTS**
**Year ended 31 March 2025**
**24. CAPITAL COMMITMENTS**

	<b>Group and Association</b>	
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Expenditure contracted for but not provided for in the financial statements	6,495	8,774
Expenditure authorised but has not yet been contracted for	14,845	10,377
	<u>21,340</u>	<u>19,151</u>

Capital commitments shown above will be funded by a combination of current resources, government grants and private finance.

**Operating leases**

<b>Amounts payable in respect of leases in the following periods for:</b>	<b>Group</b>		<b>Association</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Office rental:</b>				
Within 12 months	53	47	-	-
One to two years	11	42	-	-
Two to five years	6	-	-	-
	<u>6</u>	<u>89</u>	<u>-</u>	<u>-</u>
<b>Office equipment rental:</b>				
Within 12 months	5	10	7	7
One to two years	2	5	3	3
Two to five years	1	3	-	-
	<u>8</u>	<u>18</u>	<u>10</u>	<u>10</u>
<b>Vehicle leases:</b>				
Within 12 months	106	109	46	46
One to two years	92	106	46	46
Two to five years	18	112	50	50
	<u>216</u>	<u>327</u>	<u>142</u>	<u>142</u>

**25. LOW-COST HOME OWNERSHIP LOANS**

These represent long-term loans provided to individuals purchasing properties under the 'HomeBuy Scheme'. They are mainly funded by Social Housing Grant and Recycled Capital Grants as at 31 March 2025. They become repayable on a subsequent disposal of the property.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

### 26. PENSION

#### Social housing pension scheme (SHPS)

The company participates in the Social Housing Pension Scheme (the Scheme), a multiemployer 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 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 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.

#### GROUP SOCIAL HOUSING PENSION SCHEME (SHPS)

	31 March 2025	31 March 2024
<b>Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)</b>	<b>(£000s)</b>	<b>(£000s)</b>
Fair value of plan assets	18,311	18,431
Present value of defined benefit obligation	21,165	22,907
Deficit in plan	(2,854)	(4,476)
<b>Reconciliation of opening and closing balances of the defined benefit obligation</b>	<b>Year ending 31 March 2025 (£000s)</b>	<b>Year ending 31 March 2024 (£000s)</b>
Defined benefit obligation at start of period	22,907	22,749
Expenses	22	21
Interest expense	1,112	1,088
Actuarial losses due to scheme experience	999	241
Actuarial gains due to changes in demographic assumptions	-	(222)
Actuarial gains due to changes in financial assumptions	(3,288)	(321)
Benefits paid and expenses	(587)	(649)
Defined benefit obligation at end of period	21,165	22,907

**NOTES TO THE FINANCIAL STATEMENTS**
**Year ended 31 March 2025**

<b>Reconciliation of opening and closing balances of the fair value of plan assets</b>	<b>Year ending 31 March 2025 (£000s)</b>	<b>Year ending 31 March 2024 (£000s)</b>
Fair value of plan assets at start of period	18,431	18,593
Interest income	920	913
Experience on plan assets (excl. amounts included in interest income) – loss	(1,600)	(1,518)
Contributions by the employer	1,147	1,092
Benefits paid and expenses	(587)	(649)
Fair value of plan assets at end of period	18,311	18,431

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was (£680,000).

<b>Defined benefit costs recognised in statement of comprehensive income (SOI)</b>	<b>Year ending 31 March 2025 (£000s)</b>	<b>Year ending 31 March 2024 (£000s)</b>
Expenses	22	21
Net interest expense	192	175
Defined benefit costs recognised in statement of comprehensive income	214	196

<b>Defined benefit costs recognised in other comprehensive income</b>	<b>Year ending 31 March 2025 (£000s)</b>	<b>Year ending 31 March 2024 (£000s)</b>
Experience on plan assets (excluding amounts included in net interest cost)	(1,600)	(1,519)
Experience gains and losses arising on the plan liabilities	(999)	(241)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation		(222)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	3,288	321
Total amount recognised in other comprehensive income	689	(1,217)

<b>Assets</b>	<b>31 March 2025 (£000s)</b>	<b>31 March 2024 (£000s)</b>
Global Equity	2,052	1,837
Absolute Return		720
Distressed Opportunities		650
Credit Relative Value		604
Alternative Risk Premia		585
Liquid Alternatives	3,395	-
Emerging Markets Debt		239
Risk Sharing		1,079
Insurance-Linked Securities	57	95
Property	917	740
Infrastructure	3	1,862
Private Equity	16	15
Real Assets	2,193	-
Private Debt	-	725
Opportunistic Illiquid Credit	-	720
Private Credit	2,241	-
Credit	700	-
Investment Grade Credit	564	-
High Yield	-	3
Cash	248	363
Corporate Bond Fund	-	-
Liquid Credit	-	-

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

Long Lease Property	5	119
Secured Income	305	550
Liability Driven Investment	5,546	7,501
Currency Hedging	30	(8)
Net Current Assets	39	32
Total assets	18,311	18,431

None of the fair values of the assets shown on page 58 includes any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key assumptions	31 March 2025 % per annum	31 March 2024 % per annum
Discount Rate	5.90%	4.92%
Inflation (RPI)	3.06%	3.11%
Inflation (CPI)	2.80%	2.79%
Salary Growth	3.80%	3.79%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (Years)
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5

### Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 March 2025	Approximate % increase to employer liability	Approximate monetary amount (£'000)
0.1% decrease in real discount rate	10.8%	309
0.1% increase in the salary increase rate	0.81%	23
0.1% increase in CPI and RPI	8.58%	245

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

## ASSOCIATION SOCIAL HOUSING PENSION SCHEME (SHPS)

<b>Present values of defined benefit obligation, fair value of assets and defined benefit liability</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Fair value of plan assets	16,736	16,896
Present value of defined benefit obligation	19,330	20,990
Deficit in plan	(2,594)	(4,094)

<b>Reconciliation of opening and closing balances of the defined benefit obligation</b>	<b>Year ending</b>	<b>Year ending</b>
	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Defined benefit obligation at start of period	20,990	20,872
Expenses	18	17
Interest expense	1,019	998
Actuarial losses due to scheme experience	885	229
Actuarial gains due to changes in demographic assumptions	-	(205)
Actuarial gains due to changes in financial assumptions	(3,023)	(299)
Benefits paid and expenses	(559)	(622)
Defined benefit obligation at end of period	19,330	20,990

<b>Reconciliation of opening and closing balances of the fair value of plan assets</b>	<b>Year ending</b>	<b>Year ending</b>
	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Fair value of plan assets at start of period	16,896	17,064
Interest income	843	837
Experience on plan assets (excl. amounts included in interest income) - loss	-	-
	(1,495)	(1,384)
Contributions by the employer	1,051	1,001
Benefits paid and expenses	(559)	(622)
Fair value of plan assets at end of period	16,736	16,896

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was (£652,000).

<b>Defined benefit costs recognised in statement of comprehensive income (SOI)</b>	<b>Year ending</b>	<b>Year ending</b>
	<b>31 March 2025</b>	<b>31 March 2024</b>
		<b>(£000s)</b>
Expenses	18	17
Net interest expense	176	161
Defined benefit costs recognised in statement of comprehensive income	194	178

<b>Defined benefit costs recognised in other comprehensive income</b>	<b>Year ending</b>	<b>Year ending</b>
	<b>31 March 2025</b>	<b>31 March 2025</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Experience on plan assets (excluding amounts included in net interest cost)	1,495	(1,384)
Experience gains and losses arising on the plan liabilities – loss	(885)	(229)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	-	205
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	3,023	299
Total amount recognised in other comprehensive income – gain	643	(1,109)

**NOTES TO THE FINANCIAL STATEMENTS**
**Year ended 31 March 2025**

<b>Assets</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Global Equity	1,875	1,684
Absolute Return	-	660
Distressed Opportunities	-	596
Credit Relative Value	-	554
Alternative Risk Premia	-	536
Liquid Alternatives	3,103	-
Emerging Markets Debt	-	219
Risk Sharing	-	989
Insurance-Linked Securities	52	87
Property	838	678
Infrastructure	3	1,707
Private Equity	15	14
Real Assets	2,004	-
Private Debt	-	665
Opportunistic Illiquid Credit	-	660
Private Credit	2,048	-
Credit	640	-
Investment Grade Credit	515	-
High Yield	-	3
Cash	227	333
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	5	109
Secured Income	279	504
Liability Driven Investment	5,069	6,876
Currency Hedging	27	(7)
Net Current Assets	36	29
<b>Total assets</b>	<b>16,736</b>	<b>16,896</b>

None of the fair values of the assets shown on page 61 include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

<b>Key assumptions</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>% per annum</b>	<b>% per annum</b>
Discount Rate	5.90%	4.92%
Inflation (RPI)	3.06%	3.11%
Inflation (CPI)	2.80%	2.79%
Salary Growth	3.80%	3.79%
Allowance for commutation of pension for cash at retirement	75% of max. allowance	75% of max. allowance

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

	<b>Life expectancy at age 65 (Years)</b>
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5

**NOTES TO THE FINANCIAL STATEMENTS**
**Year ended 31 March 2025**
**Sensitivity analysis**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

<b>Change in assumptions at 31 March 2025</b>	<b>Approximate % increase to employer liability</b>	<b>Approximate monetary amount (£'000)</b>
0.1% decrease in real discount rate	10.9%	283
0.1% increase in the salary increase rate	0.76%	20
0.1% increase in CPI and RPI	8.67%	225

**27. CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flows from operating activities</b>		
Surplus for the financial year	<b>1,480</b>	<b>1,347</b>
<b>Adjustments for non-cash items:</b>		
Pension costs less contributions paid	(1,126)	(1,072)
Depreciation of property plant and equipment	3,391	3,201
Impairment of housing properties	-	-
Amortisation of grants	(2,786)	(2,734)
Surplus share in joint venture	42	39
Revaluation loss on investment property	-	-
(Increase)/Decrease in trade debtors and other receivables	(3,202)	478
Decrease in stock	(3)	14
Decrease/(Increase) in trade creditors	3,067	(225)
<b>Total non-cash adjustments</b>	<b>(617)</b>	<b>(299)</b>
<b>Adjustments for investing or financing activities:</b>		
Profit on disposal of property, plant and equipment	(463)	(303)
Refinancing costs	-	-
Interest payable	4,426	4,635
Interest receivable	(173)	(404)
<b>Total investing or financing activities</b>	<b>3,790</b>	<b>3,928</b>
<b>Cash generated by operations</b>	<b>4,653</b>	<b>4,976</b>
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Increase in cash and cash equivalents</b>		
Cash	11,154	7,061
Investments	1,538	2,926
	<b>12,692</b>	<b>9,987</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2025**
**NET DEBT RECONCILIATION**

	<b>1 April 2024 £'000</b>	<b>Cash flows £'000</b>	<b>31 March 2025 £'000</b>
<b>Cash and cash equivalents</b>			
Cash	7,061	4,093	11,154
Investments	2,926	(1,388)	1,538
	<u>9,987</u>	<u>2,705</u>	<u>12,692</u>
<b>Borrowings</b>			
Debt due within one year	(625)	(1,026)	(1,651)
Debt due after one year	(129,586)	(14,343)	(143,929)
	<u>(130,211)</u>	<u>(15,369)</u>	<u>(145,580)</u>
	<u>(120,224)</u>	<u>(12,664)</u>	<u>(132,888)</u>

**FREE CASH FLOW**

	<b>2025 £'000</b>	<b>2024 £'000</b>
<b>Net cash generated from operating activities</b>	<b>4,653</b>	<b>4,976</b>
Interest paid	(4,426)	(4,635)
Interest received	173	404
<b>Adjustments for reinvestment in existing properties</b>		
Components replaced	(6,480)	(661)
Purchase of other replacement fixed assets	(18,779)	(20,529)
Component replacement grant received	-	-
	<u>(24,859)</u>	<u>(20,445)</u>
<b>Free cash consumed before loan repayments</b>	<b>(24,859)</b>	<b>(20,445)</b>
Loans repaid (excluding revolving credit and overdraft)	(631)	(4,349)
	<u>(25,490)</u>	<u>(24,794)</u>

**28. RELATED PARTY TRANSACTIONS**

Grŵp Cynefin is working collaboratively with Gwynedd Council, Betsi Cadwaladr University Health Board and Theatr Bara Caws (community theatre company) on an exciting and innovative new health, social care, housing and community hub at Penygroes, Gwynedd. Grŵp Cynefin have purchased a site at Penygroes and the Project Board overseas four workstreams being housing and social care, health and social care, community engagement and design and development.

The Association is also a shareholder in the Welsh Housing Partnership and WHP2, which is a joint venture between four housing Groups, Beacon Group, Hendre Group, Pobl Group and Grŵp Cynefin. Further information regarding these transactions is stated in note 15.

The Association also acts as the Corporate Trustee for two Almshouse Charities. The Elizabeth Owen, Llanfair Dyffryn Clwyd and Ellen Glynn Homes, Llandwrog, are separate entities registered with the Charity Commission under Charity numbers 237078 and 219790 respectively. All

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

transactions with the Almshouses are conducted on an arm's length basis. Grŵp Cynefin has charged housing management services to the Almshouses during the year to the value of £14.7K (2024 - £2K). The financial statements of the Almshouses are not consolidated within the financial statements of Grŵp Cynefin, as an exemption from Group accounts was received from the FCA in May 2022.

### 29. WHOLLY OWNED SUBSIDIARY UNDERTAKINGS

The subsidiaries listed below fall under the overall control of Grŵp Cynefin:

Organisation	Status	Country of Registration	Principal Activity
Canllaw (Eryri) Cyf	Company Limited by guarantee, a registered charity and is registered with the Welsh Government.	Wales	Care and Repair Agency and a Social Enterprise
Gofal a Thrwsio Conwy a Sir Ddinbych	Company Limited by guarantee and a registered charity.	Wales	Care and Repair Agency and a Social Enterprise
Cywaith Cyf	Dormant Company, Limited by guarantee.	Wales	Community Regeneration

As Cywaith Cyf is a dormant company, no significant transactions have been made by Grŵp Cynefin on its behalf. We continue to retain Cywaith cyf as there may be an option to utilise it again in the future.

Gofal a Thrwsio Conwy a Sir Ddinbych is not a Registered Social Landlord, and there has been no significant apportionments, recharges or allocation of turnover, costs, assets and liabilities between Grŵp Cynefin or Canllaw (Eryri) Cyf (as the Registered Social Landlord's within the Group) and Gofal a Thrwsio Conwy a Sir Ddinbych. Grŵp Cynefin's net cash contribution to Gofal a Thrwsio Conwy a Sir Ddinbych amounted to £0 (2024 - £0) within the year-ending 31 March 2025.

### 30. INTEREST COVER COVENANT AMENDMENTS

Amendments have been agreed with lenders to take into consideration:

- Grant Funding received for decarbonisation projects from the Welsh Government to include grant received under the Transitional Accommodation Capital Programme (TACP), Optimised Retrofit Programme (ORP) and/or other component replacement and improvement works, aggregate to £4.56M in 2024-25 (2023-24 £360K).
- Exceptional expenditure incurred in relation to improving the condition of Grŵp Cynefin's properties in relation to compliance with health and safety and a non-compliant regulatory grading. Exceptional Costs of £2.79M were incurred in 2024-25 (2023-24 £2.77M), to meet the voluntary undertaking requirements.

**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2025****31. CONTINGENT LIABILITY**

As at 31 March 2025, the Association has identified the following contingent liabilities, disclosed in accordance with FRS 102 Section 21 and sector guidance:

- **Renting Homes (Wales) Act 2016.**

In March 2024 the Association became aware that it may not have been fully compliant with potential legal obligations arising under the Renting Homes (Wales) Act 2016 (“the Act”) and the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022 (as amended) (“the Regulations”) during the year ending 31 March 2024 and 31 March 2025. On identification of the issue, immediate steps were taken to ensure full compliance with legal obligations as the Association is currently able to understand them. There is an ongoing claim in the High Court brought by a number of other Registered Social Landlords to seek a series of declarations as to the correct meaning and interpretation of the potential obligations. The Association has assessed that the likelihood of an outflow of resources to settle this potential liability following the legal proceedings is less than probable but, acknowledging the inherent uncertainty with such legal proceedings, is more than remote. A high level of uncertainty remains because the interpretation of the requirements under the Act and Regulations needs clarification which will only be possible following determination of the proceedings that are currently before the High Court, hence any financial effect cannot currently be measured with sufficient reliability at this time. A high level of uncertainty also exists regarding whether there is any possibility of reimbursement. Any such consideration can only follow the resolution of the above matter.

- **Contractual and Development Related Liabilities.**

The Association is currently involved in legal and commercial discussions concerning two historic development schemes. No provision has been made at this stage, as the likelihood of a resource outflow to settle potential liabilities is considered less than probable, though more than remote. Significant uncertainty remains regarding Grŵp Cynefin’s current obligation to undertake remedial works and the associated costs, as these depend on the outcome of ongoing negotiations and legal review.