



Consolidated Report and Financial Statements

Year ending March 2024



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INFORMATION

Board Members

	Co-Opted	Appointed	Resigned
Jonathon Davies – Chair	22 nd September 2016	22 nd March 2017	
Shelley Bosson – Vice Chair	22 nd September 2016	24 th July 2018	
Mike Jones	25 th May 2017	24 th July 2018	
Andrew Lycett	28 th March 2019	23 rd July 2019	
Jonathan Hughes	1 st July 2019	23 rd July 2019	
Samantha Taylor	1 st November 2019	28 th July 2020	14 th December 2023
Rachel Rees	1 st October 2020	27 th July 2021	
Lisa Murray	1 st October 2020	27 th July 2021	
Phineas Brooks	1 st October 2022	25 th July 2023	
Samantha Jones	6 th July 2015	28 th July 2015	25 th July 2023
Daniel Smith	11 th February 2019	23 rd July 2019	25 th July 2023
Ananda Woodley	1 st December 2022	25 th July 2023	
Huw Freeman	1 st December 2022	25 th July 2023	
Ceri Wiggins	25 th July 2023	25 th July 2023	
Natalie Morgan	19 th December 2023		

Independent Committee Members

	Co-Opted
Rowland Jones	1 st September 2023
Lianne Caulfield	1 st February 2024



INFORMATION

Executive Management Team

Linda Whittaker	Chief Executive
Claire Maimone	Deputy Chief Executive Company Secretary
Nicholas Tagg	Director of Finance – Appointed 1 st September 2023
Andrew Carey	Director of Assets
Clare Way	Director of Housing

Other information

Registered Office: Tŷ Gwyn
 Brunel Way
 Baglan Energy Park
 Neath
 SA11 2FP

External Auditors: Bevan Buckland LLP
 Ground Floor, Cardigan House
 Castle Court
 Swansea Enterprise Park
 Swansea
 SA7 9LA



INFORMATION

Internal Auditors: Barcud Shared Services
 2 Alexandra Gate
 Ffordd Pengam
 Cardiff
 CF24 2SA

Bankers: Barclays Bank
 3 Windsor Place
 Cardiff
 CF10 3ZL

Funders:	The Royal Bank of Scotland plc	Nationwide	Santander
	10 th Floor	Kings Park Road	100 Ludgate Hill
	250 Bishopsgate	Moulton Park	London
	London	Northampton	EC4M 7RE
	EC2M 4AA	NN3 6NW	

Solicitors:	Hugh James	Devonshires	Geldards
	Two Central Square	30 Finsbury Circus	Dumfries House Dumfries Place
	Cardiff	London	Cardiff
	CF10 1FS	EC2M 7DT	CF10 3ZF

Welsh Government Registration No: L154

FCA Company Registration No: 31041R



Subsidiary Companies

Company	Company No
Tirnod Limited	12761146

The registered office of the above company is Ty Gwyn, Brunel Way, Baglan Energy Park, Neath, SA11 2FP.

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

Directors

Jonathan Hughes

Samantha Taylor Resigned – 25th January 2024

Andrew Carey

Linda Whittaker Appointed – 27th April 2023

Resigned – 25th March 2024

Natalie Morgan Appointed – 25th January 2024

Nicholas Tagg Appointed – 25th March 2024

Claire Maimone Company Secretary



STRATEGIC REPORT

The Board presents its Strategic Report, Board Report and the audited Financial Statements for Tai Tarian (the Group) for the year ended 31st March 2024.

STRATEGIC REVIEW

1. PRINCIPAL ACTIVITIES

The Group comprises Tai Tarian (“the organisation”), and its subsidiary undertaking Tirnod Limited (“Tirnod”). The organisation was established as a result of a large-scale voluntary transfer (LSVT) from Neath Port Talbot County Borough Council’s (NPTCBC’s) housing stock on 4th March 2011. The organisation then acquired a 100% shareholding in Tirnod Limited on 9th March 2021 to form the Tai Tarian Group.

The principal activities of the organisation are to provide affordable homes and assist in community development, within the County Borough of Neath Port Talbot and surrounding areas. It owns, manages, and maintains 9,130 rented properties, 449 leasehold flats, 17 shops and 782 garage plots as of 31st March 2024.

The principal activity of Tirnod is the lease of machinery to enable the development of buildings using modern methods of construction.

2. VISION AND VALUES

The Group has adopted ‘Making a Difference’ as its vision which is supported by our mission of ‘Great Homes, Great Communities’. In 2022 staff, tenants and Board members worked together to agree the values:

- **Be Bold** – this value is to encourage aspiration. We are a bold organisation that is tackling big challenges, so we want our staff to think big.
- **Be Fair** – this value is linked to effectiveness. We will be fair to each other, never exclude others, never show favouritism. We will always play by the rules.
- **Be Kind** – this value focusses on people and tenants. It signifies to staff to always have kindness as the guiding principle in their work with others.

Sitting alongside our Corporate Plan we also have a set of Local Outcomes which were developed by staff, tenants, Board members, leaseholders and community partners and are aligned to our strategic objectives and the expectations of Welsh Government. Our Local Outcomes are set out below and describe the desired impact of our work for customers and other stakeholders and ensure we are all working towards achieving the same goals.



Local Outcomes

Theme: Sustainable Homes
<ul style="list-style-type: none"> ▪ We repair and maintain homes in an efficient, cost effective and responsive way ▪ Tenants feel secure in their homes ▪ Tenants are confident that we will help them to sustain their tenancies through providing additional advice and support ▪ Tenants feel our homes are affordable ▪ We work with our tenants and partners to provide tailored services
Theme: Sustainable Communities
<ul style="list-style-type: none"> ▪ Customers are proud of their neighbourhood as a place to live ▪ Our communities are safer places to live ▪ We create and sustain local employment and create training opportunities ▪ We have a positive impact on our communities through active engagement ▪ We work with our partners to deliver services that matter to our customers
Theme: Sustainable Planet
<ul style="list-style-type: none"> ▪ We work to become carbon neutral ▪ We make the best use of our assets ▪ We use local resources in our activities where possible
Theme: Our Business
<ul style="list-style-type: none"> ▪ We are an employer of choice ▪ The whole organisation is effectively governed and is aligned to delivery of its vision
Themes
<ul style="list-style-type: none"> ▪ VFM - We deliver value for money to make the best use of our resources ▪ We listen, learn and act – <ul style="list-style-type: none"> ○ We are accountable to our customers ○ Customers have opportunities to make a choice ○ We act on our customers’ feedback and are committed to continuously improving our services ○ We understand our customers and deliver services that meet their needs ○ Our tenants and members are able to influence decision making and shape our services

We undertake regular self-evaluation to measure our performance against these outcomes. This enables us to clearly identify the good work we are doing in achieving desired outcomes and it also helps us to identify areas for improvement.

Details of the self-evaluation we have undertaken during 2023/24 can be found on our website.



3. STRATEGIC OBJECTIVES

Delivering our Corporate Plan 2020-2025

Our Corporate Plan was developed to take us from 2020 to 2025, it includes our long-term vision, mission, and strategic objectives. Our priorities take into account the need to support delivery of both the Foundational and Circular Economies and this is reflected in our three high level themes and six priorities, as follows:

Theme 1: Sustainable Homes

- **Affordable homes for our tenants**

We want to ensure we provide warm, energy efficient homes for our tenants, through the new homes that we build and, also by improving the energy performance of our existing homes. We will upskill our staff to work with tenants to make sure they understand how to minimise the cost of energy and the positive financial impact this may have. We will also work to ensure that our rents remain fair and affordable.

- **Tailored services to support tenants in their homes**

We are gaining a better understanding of our tenants in order to ensure we can provide the right support, either directly or through the partnerships forged within our communities. We continue to identify and focus support where it's needed, providing tailored services to individuals. Where possible, we also aim to deliver services digitally, bringing our tenants on this journey with us. Our partnership work has helped us to provide much needed services to tenants during the last year.

Theme 2: Sustainable Communities

- **Community partnerships delivering services that matter to our customers**

We continue our work with our communities and partners to understand the issues at a community level and are developing plans to influence change, having a positive impact within our communities. Working with our partners we will identify funding opportunities to support and promote the sustainability of tenancies and the wider community. Our Community Plans are helping us to understand each of our communities and the opportunities to support sustainability.

- **Tenants supported to be healthy and active within their communities through focused and targeted involvement and learning opportunities**

By working with our tenants, we will understand their aspirations for involvement and create opportunities for their views to influence services and decisions. Working with our partners we aim to increase the learning and employment opportunities across our communities, we are also connecting with those involved in social prescribing, to achieve our aim of improving



the health and wellbeing of our tenants, so that individuals can actively contribute to their communities.

Theme 3: Sustainable Planet

- **To be carbon neutral (net zero) by 2030**

We have our sights firmly set on becoming globally responsible for climate change so that we can make it easier for our tenants, communities, and staff to do the same. By ensuring that our homes are energy efficient, our tenants can benefit from improved health and wealth leading to a better quality of life and in our communities, making the most of our landscapes will be instrumental in offsetting our unavoidable carbon footprint. We are also ensuring our employees are doing their bit too by creating a zero-carbon work environment.

- **Implement the principles of the circular economy and maximise any potential for the foundational economy**

Underpinning our organisation is a deep-seated aspiration to reach a circular economy here in Wales for the benefit of future generations. By embedding resource efficiency and waste prevention at an operational level, we aim to influence those around us to join in our plight to save the planet and build community capital. Working with partner organisations, our aspiration is to motivate our tenants to reduce, reuse and recycle more in our homes and communities.

Development and Acquisition Opportunities

The growth of our development programme is crucial as part of the response to the housing crisis and, in meeting the growing and varied needs of people across the County Borough. This is a vital part of our work; however, we prioritise provision of the right, affordable and efficient homes in the right location for the people who need them, as opposed to simply focusing on delivering volume and unit numbers.

During 2023/24, Tai Tarian has successfully delivered 48 new homes. 23 new-build properties were completed, in addition to the 24 refurbished, as part of the initial phase of the County Flats project in Sandfields and 25 new homes were handed over at Pant Celydd in Margam.

Building on the important work carried out in the previous year as part of the Private Rental Rescue project, we have continued to effectively use Transitional Accommodation Capital Programme (TACP) funding to secure strategic acquisitions of smaller high demand properties to combat the high levels of homelessness currently being faced across Neath Port Talbot.



STRATEGIC REPORT

Completed Sites

Pant Celydd, Margam

Work was completed in January 2024 to deliver 25 new properties at Pant Celydd in Margam, previously a privately owned disused area of overgrown land in a well populated residential area.

The development was successfully delivered by local contractor CJ Construction and consists of one- and two-bedroom flats and two- and three-bedroom houses all constructed to an EPC rating of 'A'.



The scheme secured just over £2.4m in Social Housing Grant funding from the Welsh Government.

Live/Ongoing Development Schemes

County Flats

23 new-build and 24 refurbished properties were completed and handed over as part of the initial phase of the project at County Flats in Sandfields, Port Talbot.



This phase also incorporated 6, fully modular units which were constructed and supplied by Seven Oaks Modular, Hale's 'sister' company. The units were produced in the new modular production facility based in the former Metal Box factory in Milland Road, Neath, located less than 7 miles from the site.

This is a key 'flagship' project which has secured over £7.0m of grant from Welsh Government via Social Housing Grant and Innovative Housing Programme funding.

The second phase of the project is nearing completion with the handover of 15 properties expected during Summer 2024.



Eaglesbush, Neath

Work is progressing well at Eaglesbush, a privately owned unused greenfield site, on the periphery of an existing residential estate of current Tai Tarian stock.

All plots are at least at superstructure stage, with other internal works having commenced on over 50%. Upon completion, the project will deliver 52 new homes, consisting of one- and two-bedroom flats, two-, three- and four-bedroom houses and two-bedroom bungalows. The phased handover is currently being formalised with the scheme due to be completed in August 2024.

The scheme has received £5.7m in financial support from Welsh Government in the form of Social Housing grant.

Eagle House

The scheme involves the demolition of a vacant office building and the construction of a mixed use, 5-storey building with commercial & parking on the ground floor and 18 1 and 2-bedroom flats occupying the first to fifth floor.

The proposal is to collaborate with the Local Authority to designate several of the units on a dedicated floor as supported living arrangement, with additional design features and specification changes having been agreed to facilitate the delivery model.

The scheme is progressing well with superstructure works ongoing and an anticipated completion date of April 2025.

The scheme has received over £2.5m in Social Housing Grant support from Welsh Government.

Heol Crwys

The scheme incorporates the demolition of the existing 30 properties, which are post Second World War prefabricated properties, designed/constructed as temporary accommodation, and replace with 42 new energy efficient properties, consisting of one- and two-bedroom bungalows and one-bedroom flats.

The project received planning consent in January 2024 and Sustainable Urban Drainage Approval Body (SAB) consent in February 2024. Following a competitive tender process via Sell2Wales the contract was awarded to Port Talbot based contractor CJ Construction, who have delivered several high-quality developments for us in recent years.

The site was handed over to the contractor in March 2024 and site mobilisation has commenced, along with the intrusive site investigation works to inform the ground remediation strategy.

The scheme has secured a Social Housing Grant (SHG) allocation of £5.9m and an additional £900k from the Welsh Government Land & Buildings Development Fund (LBDF) associated with the ground remediation.



Committed Schemes

County Flats Phase 2

This scheme will be the natural continuation of the regeneration of the 'County Flats' and an opportunity to build on the success of the current scheme. The project is currently at design stage and a defined proposal is nearing completion.

The current iteration of the scheme proposes partial demolition, construction of 100 new units, and refurbishment of the remaining existing units.

The design process was intentionally paused to undertake additional engagement and consultation with Local Members and key stakeholders, but the pre-app is now currently being finalised and will be submitted imminently.



Work is ongoing to address the Leaseholder implications to proceeding with the scheme. To date, we have successfully acquired 2 of the 8 leasehold properties, leaving 6 remaining. We are working with the remaining leaseholders to either pursue further strategic acquisitions or to agree a (legal) decant process, as per the arrangement with leaseholders in the current County Flats project.

The scheme is included in the main programme of the Planned Development Programme (PDP) for 2024/25 and is due to commence on site in March 2025.

Pipeline & PDP Update

During March 2024, 7 schemes were submitted to the (new) Welsh Government Homes and Places portal for consideration as part of the 2024/25 Quarter 1 PDP. An additional 8 schemes are currently being assessed as part of the future pipeline. In conclusion, we now have 14 schemes with either a main or reserve programme status within the PDP, which amounts to 712 units.

The following schemes were submitted on the 26th March 2024.

- Heol y Glo (South), Tonna
- Heol y Glo (East), Tonna
- Heol y Glo (North), Tonna
- Brynna Road (North), Cwmavon
- Brynna Road (South), Cwmavon
- Penyralltwn Park, Rhos
- Laburnum Avenue, Baglan



The Quarter 1 PDP should be finalised during May 2024, which will confirm the status of the above schemes, in addition to those submitted via the previous submission process in 2022/23, which are currently being shown as reserve programme schemes.

All of the above sites, with the exception of Laburnum Avenue are also currently being assessed as part of the Local Authority's Replacement Local Development Plan (RLDP) process, with the aim of being allocated within the new plan for residential development. Due to a shortage of overall sites submitted as part of the initial call for candidate site submissions, the process was reopened for additional candidate submissions during December 2023. The impact is likely to be around an 18-24 month delay to the original timescales for adoption of the new plan, with this now expected in April 2027.

We continually assess our list of identified and potential sites and are committed to looking forward to maximising new and existing opportunities, to ensure we build a sustainable development programme and approach to providing new homes.

Reducing Our Carbon Footprint

The Group is committed to do its part to reduce its impact on the planet and deliver against its commitment to become carbon neutral by 2030 and improving biodiversity in our communities.

It is estimated that the Group's carbon emissions for 2023/24 was 22,191 tonnes (2022/23: 22,305 tonnes). The housing stock continues to contribute the largest share – 21,423 tonnes, which includes emissions from communal power and heating.

This reduction has been achieved in the following areas:

- improvements to the housing stock, particularly energy efficiency works completed over the last few years
- reduced fuel consumption and reduced mileage from the white fleet
- reduced grid electricity used at our offices.

Most energy improvements from the fabric programme and Optimised Retrofit programme have yet to be measured and will therefore be updated at a later date.

Over the last twelve months the organisation's focus has been on delivering initiatives, including:

- Replacing combustion engine vehicles with electric vehicles
- Building new homes to EPC A
- Undertaking retrofit and fabric improvement work to existing homes.

We intend to continue to deliver against our corporate plan themes of Sustainable Homes, Sustainable Communities and Sustainable Planet. Our Sustainable Planet Strategy, which provides the direction of travel for the Planet theme, is the main focus of our priorities.



To reduce emissions from our housing stock, we have completed trials as part of the Welsh Government's Optimised Retrofit Programme. Through this and our own component replacement programme, we have improved standards of external wall insulation (EWI), installed energy generation and storage as well as trialling some innovative solutions to heating, including installation of a hybrid gas and air source heat boiler. It is important that our interventions deliver against our carbon agenda as well as other priorities such as fuel poverty, thermal comfort, and affordability. The results of this work will be used to prepare us to roll out solution across our properties.

Information on energy usage, travelling etc is key to being able to reduce consumption and improve efficiency. We have developed a system for recording energy usage and are utilising our vehicle tracking system to better understand practices in operation such as vehicle idling, excess mileage, utilisation rates and so on. Further work is needed on this to better forecast changes in fuel use.

In recognition of the need to educate and inform colleagues and stakeholders of their role in becoming more sustainable, a programme of carbon literacy training is being rolled out to all staff.

Collaboration with Sevenoaks Modular Ltd

Modern Methods of Construction

It has been recognised by Welsh Government that one of the key housing challenges over the next 10 years will be how to build sustainable homes that achieve standards that reduce carbon and running costs for tenants. There are many build options available, but timber frame and modular construction is seen as one of the most sustainable ways of building new homes in Wales, particularly if the build process can adopt the principles of the Circular Economy.

In response to Welsh Government's plans, Tai Tarian, and subsidiary Tirnod, entered into a collaboration with Sevenoaks Modular Ltd (SOM), a local company specialising in timber frame/modular manufacturing, to increase housing supply, utilising Welsh Government's loan finance to acquire new equipment and platform, to hugely increase timber frame/modular build capacity within the factory.

The collaboration provides an excellent opportunity for the creation of a large-scale project that directly aligns with all elements of our Corporate Plan and Foundational Economy.

Expected Outcomes:

- An increase in the number of new homes being built in Wales, which are sustainable and affordable for our tenants
- Additional Employment within the Borough
- Safeguard Jobs within the Borough
- Provide training within the Borough



- Develop Foundational/Circular Economy objectives.

BUSINESS ENVIRONMENT

Principal Risks and Uncertainties

Tai Tarian recognises that we must effectively manage risk while undertaking our business activities.

It is the responsibility of the Board to clearly articulate their risk appetite and to gain assurance that we are identifying and managing risk effectively. The Welsh Government's assessment of housing sector risks is considered as part of the process for identifying the risks facing the organisation.

In order to manage and mitigate risks, the organisation has a Risk Management Policy in place, which aims to help the organisation deliver informed strategic decisions, successful delivery of change and increased operational efficiency.

We use a Risk Register to record risks and measure their likelihood and impact of occurring. Risks scores are ranked and a range of responses agreed which include actions to tolerate, treat, transfer, terminate or exploit the risk.

Risk management is embedded throughout the organisation's culture and a continuous process of monitoring and review is undertaken dependent on the activity, impact and likelihood of each risk occurring.

Financial Risk Management

Liquidity Risk

The organisation has a treasury function within its finance department whose activities are defined as "the management of the organisation's cash flows, its banking, money market and capital market transactions and loan management; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks".

The organisation acknowledges that effective treasury management provides support towards the achievement of its corporate objectives. The treasury operation ensures compliance to loan agreement covenants and sufficient access to the long-term financial requirements of the organisation. Its objective is to manage risk on a cost-effective basis and speculative transactions are not permitted.

Short, Medium, and Long term cashflows are regularly reviewed along with forecasts, budgets, and business plans to ensure that the business always has sufficient funds to meet its financial obligations in a timely manner.



Credit Risk

The organisation's principal financial assets are bank balances and cash, rent arrears and other receivables.

The organisation's credit risk is primarily attributable to its rent arrears which are actively managed. The amounts presented in the Statement of Financial Position are net of allowances for bad debts.

Interest Rate Risk

The Bank of England have gradually been increasing interest rates over the last 18 months. Interest rate risk refers to the potential impact of changes in interest rates on the amount of interest we pay on our loans. The organisation stress tests the impact of interest rate increases on its Business Plan, but as a majority of loans are fixed interest rates, the interest rate forecast does not cause significant issues to future investment.

Strategic Risk Management

The top strategic risks which the organisation is currently addressing are:

Dowry Gap Funding – Welsh Government

The organisation receives Dowry Gap Funding of £6.2m per annum. The funding is subject to an annual monitoring report and approval by Welsh Government, guaranteeing funding for a following two years. If we do not receive this funding there will be a loss of £6.2m, impacting on wider budgets and the ability to deliver objectives. The business plan is stress tested with a variety of scenarios and reviewed by Board to ensure that should the Dowry be removed by Welsh Government, we have plans in place to mitigate that financial impact.

Welsh Government Rent Policy

The scope and scale of our Corporate Plan is largely contingent on the support of Welsh Government regarding Rent Setting Policy. Historically Welsh Government has signalled its support for the sector using a five-year rent policy, which allows the organisation to plan with some certainty for the medium term. Welsh Government has extended the current policy for an additional year which allows the business to continue to execute at pace. The business uses detailed financial modelling to assess the impact of potential changes to the rent policy and identifies the mitigating actions that could be taken, should those changes result in the business receiving less income in future.

Market Forces/Cost of Living Crisis

The cost-of-living crisis which started with energy price inflation, subsequently spread to many aspects of everyday life which has been felt across society. For this reason, inflation and other market forces is cause of many risks on our strategic risk register.



Those on low incomes are disproportionately affected. This squeeze on income has an obvious risk for rental payments and we are seeing a movement between the lowest and higher arrears bandings.

In mitigation, Tai Tarian utilise many tools and the expertise of its in-house Financial Inclusion and Universal Credit (UC) teams. These include:

1. Support fund – created with funds from Tai Tarian to support tenants with rental and energy payments, especially those experiencing in work poverty.
2. Discretionary Housing Payments – fund administered by the Local Authority to help with shortfalls in Housing costs received by tenants.
3. Fuel Bank - accessed by Financial Inclusion Team (FIT) as we are approved partners and can access vouchers for those with pre-payment meters.
4. Off grid fuel support – fund accessed for those using coal, oil, or LPG in their homes.
5. Discretionary Assistance Fund (DAF), accessed in emergency for food, gas, clothing etc. or as payments for white goods.
6. Re-use and recycle scheme. Unwanted items at void properties gifted to tenants who need them.
7. Food banks – vouchers issued by officers to help with emergency situations.
8. UC managed payments – housing costs can be paid directly to us in situations where the tenancy is at risk. Increasing use of this tool is expected.
9. Money mentors – staff trained to recognise signs of financial distress and signpost to appropriate support services and agencies.

There is a need for Tai Tarian to balance the needs of tenants with the need to remain a financially viable business and this includes an annual review of the rent charged. For the financial year 2024/25 a 6.7% increase was applied to the rent envelope, which was the maximum permitted by the Welsh Government. Before applying this increase, it was checked against our local rent setting principles and was found to be affordable in line with the living rent model which draws upon local income data.

Another area which has seen significant price inflation is Rented Home Property Insurance, which is a business cost that has increased by 235% over two years. Our claims history is a key contributor to this but inflation is also a factor, and there is a very limited number of Insurance Providers servicing the Housing Sector. It is also clear that the increased risks associated with Climate Change are being built into premiums.

We use external consultants, collaborate with others in the sector and periodically test the market to ensure that competitive terms are achieved for the insurance cover we require.



Business Systems

Like many organisations, Tai Tarian rely on many business systems to accurately record and secure data that we need to effectively manage and run our business operations. We employ IT specialists to monitor the performance of these systems to ensure that they are kept up to date and secure, and that they are fit for purpose. When changes are introduced, we use well defined change management protocols to manage change risk. Our critical business systems are included within our Business Continuity Plan.

Cyber Security Risk

The past few years has seen a significant rise in the frequency and sophistication of cyber-attacks. Many large corporations, public bodies and even some of our direct contractors have succumbed to ransomware, reputational damage, or major service disruption often attracting financial penalties. Artificial Intelligence is being used to create ever more sophisticated means of attack.

To demonstrate to our stakeholders that Technology and Innovation has the ability and capability to deliver a secure and robust service, we have implemented a comprehensive information security management system, ISMS.online. This allows us to take a risk-based approach to service delivery whilst improving our cybersecurity posture by aligning with the ISO 27001 framework. The framework includes operations security, asset management, human resource security, security controls, access controls and ultimately reduced risk exposure.

Development Risk

The demand for affordable housing in Wales continues to grow, and Tai Tarian has helped to increase the amount of affordable housing available in Wales with our development programme. Development helps the organisation to grow, reduces overall costs of maintenance to our properties, helps to regenerate communities and provides local employment. Risks to development are managed with robust Business Planning reviews for affordability and each scheme undergoes a viability assessment with regards to housing demands, costs, and environmental impacts such as flooding and biodiversity. All our new homes are built to the Welsh Government WDQR standards and deliver the highest energy performance standards and attract Social Housing Grants to support the development costs.

Pension scheme deficit

The LGPS is a funded defined benefit plan with benefits earned up to 31st March 2014 being linked to final salary. Benefits after 31st March 2014 are based on a Career Average Revalued Earning scheme. Therefore, there is a risk of increased exposure to rising pension contribution costs and deficit related to our membership of the Local Government Pension Scheme.

The FRS 102 accounting results at 31st March 2024 have resulted in a significant decrease in the amount recognised in the Statement of Comprehensive Income, with an actuarial loss of £0.3m (2023 actuarial gain £30.8m) and within the Statement of Financial Position, there has been no



movement in the pension asset/liability as it remains restricted at Nil. Further information is available within Note 31, page 70.

A defined contribution scheme for new starters was introduced in April 2016 to reduce the impact of this risk.

Data Protection

Tai Tarian must comply with the requirements of the UK Data Protection Act 2018 and other associated legislation. If we do not have robust data protection arrangements in place and comply with legislation, we risk, significant breaches, fines, reputational damage, and legal action. The risk is mitigated by regular compliance reviews, policies, procedures and mandatory GDPR staff training.

WHQS 2023

The new Welsh Home Quality Standard creates new requirements for landlords in Wales regarding the facilities provided in rented homes but it also has a much greater focus on energy efficiency as Wales seeks to reduce its Carbon footprint from housing. This strategy is fully aligned to our own Corporate Plan. The key risks associated with the implementation of the new standard are:

1. A lack of resources to deliver the improvements (we recognise that we will be competing for the resources to implement the new standard with other landlords across Wales. To address these risks we have a detailed, long term resourcing strategy which is regularly reviewed by the Executive and Board).
2. The risk that we adopt new technology which does not stand the test of time. Regarding innovation, we have built our decarbonisation plans around proven technology, adopting the 'fabric first' approach which is now being promoted by Welsh Government and have a controlled innovation assessment programme which is supported by dedicated Welsh Government funding to assess the potential of new technology to ensure that it is fit for purpose before being rolled out on a wide scale basis.

Damp, Mould, and Condensation

Ensuring homes remain free from damp, mould, and condensation (DMC), is a priority for the organisation. There has been significant investment over the last few years to better understand how our properties behave based on their location, build materials and design and exposure to the elements. We maintain a risk register based on property type and have proactive DMC risk reduction strategies for each, which sit within our overall strategy of 'Insulate – Ventilate- Heat'.

Following the tragic death of Awaab Ishak, we have worked hard to increase our vigilance in this area, with every member of staff being trained on DMC awareness, the creation of a new dedicated DMC workstream and taskforce to ensure that issues of DMC are identified and addressed quickly.

We continue to progress our six priority areas:

1. Data – Better data, improved reporting, and monitoring



STRATEGIC REPORT

2. Skills – Developing skills to better understand, diagnose, and address cases of DMC
3. Culture – Continuing to monitor cases of DMC, recognising it as a seventh strand of compliance and taking a zero-tolerance approach
4. Technology – Recognising the benefits of new technology and determining its role in keeping tenants safe in their homes
5. Communication – Making ourselves visible and accessible to tenants
6. Process – Launching our Making Every Contact Count initiative, ensuring that any issue with tenants at their home does not get overlooked.

This work is routinely monitored by the Executive Team and Board.

BUSINESS PERFORMANCE

Performance and Position

The organisation reports a surplus for the year of £8.2m (2023: £2.4m) after accounting for net interest of £5.6m (2023: £7.5m) and profit on sale of fixed assets of £0.1m (2023: loss on sale £0.2m).

During the year, the organisation spent £16.0m (2023: £15.6m) on reactive, cyclical and planned repairs on its housing properties, with £24.4m (2023: £22.2m) spent on improving its properties. The works were financed through operating surpluses and cash balances.

Value for Money

The drive to pursue and achieve value for money is embedded across the organisation. Our value for money strategy directly supports our corporate objectives and has been updated in line with our 5-year Corporate Plan.

The drive to achieve Value for Money (VfM) for our tenants is embedded across the organisation through our VfM model by setting annual VfM objectives, improving operational costs and investing in what matters to our tenants. Our value for money strategy directly supports our corporate objectives with a Value for Money Statement published annually.



A comparison of our performance using the ten financial value-for-money measures which have been developed by the sector is set out below:

Value for Money Indicator	2023/24 Actual	2022/23 Actual	Comment
Total operating costs per Social Housing unit	£3,549	£3,542	Marginal increase overall, inflationary increases across overheads (insurance and ICT costs) and higher reactive and void costs (increased volume and type of works). Increases offset by lower pension costs (pension asset).
Management costs per Social Housing unit	£1,254	£1,277	Small decrease overall, lower pension costs, off-set by inflationary increases (pay award / heat & light) and the introduction of the tenant support fund.
Reactive repair costs per Social Housing unit	£1,477	£1,488	Small decrease overall, lower pension costs across the maintenance teams, offset by increases due to DMC as well as the number and type of jobs.
Major repairs and component costs per Social Housing unit	£1,225	£1,206	In line with programme delivery, marginal increase on previous year.
Bad debts per Social Housing unit	£33	£42	Reflects a decrease in arrears the end of year position. Arrears are impacted by the timing of universal credit / housing benefit receipts.
Weighted average cost of capital	7.43%	7.63%	Remains high due to impact of fixed rate hedges taken out at Transfer. Decrease due to loan repayment of £7.5m.
Free cash flow (before draw down or repayment of loans) per Social Housing Unit	£784	£593	Increased inline with higher net cash generated from operating activities (higher income) plus lower net interest costs.
Gross Arrears/Social Housing turnover	5.74%	6.07%	Arrears have decreased, mainly due to year on year timing of universal credit / housing benefit receipts.
Turnover per Social Housing unit	£5,584	£5,199	Increased in line with Welsh Government rent policy and affordability principles, plus an increase in unit numbers.
Rental void loss per Social Housing unit	£111	£85	Increase is partly due to longer turnaround times (contractor issues) and partly due to a higher number of strategic voids.

**Note: Results for 2023/24 have been prepared using a revised apportionment methodology, results for 2022/23 have therefore been restated for comparison purposes.*



Key Achievements in 2023/24

Key Performance Indicators

Businesses use measurements to assess how well they are performing. These measures are used to manage operational activity, assist with service improvement, and provide information to assist the Board and the Executive Management Team with strategic and other relevant business decisions.

With the introduction of the Corporate Plan in 2020, a full review of performance indicators was undertaken to incorporate measures to monitor the delivery of the new Corporate Plan together with business-critical measures, those which will have a significant impact on the business should performance be lower than expected levels.

It is through these performance indicators that the Group's Board and Executive Management Team receive regular information during the year on various aspects of performance.

The dashboard below provides a high-level overview of the progress made by the Group in respect of performance against a suite of indicators.

Sustainable Homes & Environment				
		2023/24	2022/23	Comments
Reinvesting & Regeneration	Void properties - Turnaround time (days)	82	63	✘ Longer void turnaround times mainly due to increased costs and contractor issues. The new framework is currently showing an improvement in void turnaround times.
	Repairs - Routine completed on time	72.00%	92.00%	✘ Deterioration was caused by a combination of a squeeze on the external resources available, supply chain issues and a conscious decision to prioritise jobs which were deemed to relate to damp, mould and condensation (DMC).
Repairing our homes	Repairs - Emergency made safe or attended within target	99.90%	100.00%	✘ During the year, 70 jobs went out of timescale out of 6,343 emergency jobs with the main reasons being no access, system issues or contractor resourcing.

Tenant Engagement & Sustainable Communities				
		2023/24	2022/23	Comments
Tenant Sustainability	Evictions	0	4	- No evictions in 23/24.
	Tenancies ending in less than 12 months	28	35	✔ More tenancies sustained this year.
Tenant Satisfaction	Would you recommend us as a landlord?	90.28%	95.00%	✔ Satisfaction survey moved to anonymous and digital survey but still above 90% satisfaction.



Organisational Health					
		2023/24	2022/23		Comments
Financial Health	Current tenant debt - Total (Debt as a percentage of rent and service charges)	3.25%	3.13%	✓	The cost of living crisis has had an impact on our tenants ability to pay rent however levels remain within target.
	Former tenant debt - Total (Defined as above)	0.61%	0.68%	✓	Reduction in former tenant debt.
	Rent lost on empty homes - Total (Rent loss as a percentage of total rent)	1.95%	1.60%	✓	Performance is in line with target.
Staff Health	Staff sickness - Total	3.95%	N/A	✓	Performance is in line with target.
	Staff - Voluntary turnover	7.39%	7.27%	⚡	Performance is in line with target.

Doing the right thing					
		2023/24	2022/23		Comments
Staff Safety	RIDDORs	2	2	⚡	Performance in line with previous year.
	Accident Rate	3.17	2.25	⚡	Performance is within acceptable levels.
Customer Safety	Gas - Compliance	99.88%	99.83%	⚡	Performance slightly outside of target.
	Electrical - Compliance	99.84%	99.90%	✗	Performance is outside of target due to non access.
	Fire Safety - Compliance	100.00%	100.00%	✓	Performance is in line with target.
	Asbestos - Compliance	100.00%	100.00%	✓	Performance is in line with target.
	Legionella - Compliance	100.00%	100.00%	✓	Performance is in line with target.
Organisational Compliance	Data Protection - Breaches	32	28	-	Levels of breaches are similar to those reported across the sector.
	Regulatory Judgement	Standard	Standard	✓	Performance is in line with target.

Regulatory Judgement

Welsh Government regularly assesses how we’re performing and whether we’re meeting the required standards. Our latest regulatory judgement rating was ‘Standard/Standard’. This is the top rating achievable and provides assurance to our Board, tenants, leaseholders, and other stakeholders that we are achieving the required level of compliance in all areas of governance, services, and financial viability. The judgement can be viewed on our website.

Compliance with Community Housing Cymru (CHC) Code of Governance

Every three years we undertake an independent review of our compliance with CHC’s Code of Governance. Our latest review, which was commissioned in February 2023 also considered the Regulatory Board for Wales’ report ‘The Right Stuff’. The review concluded that we are compliant with CHC’s code of Governance.

Community Reinvestment

Local Multiplier 3 (LM3) is a tool that is used to measure local economic impact. LM3 measures how money flows in the local economy and how organisations can practically improve its local economic impact via its procurement decisions.



STRATEGIC REPORT

For every £1 spent on our major works and development programme a further £1.99 is reinvested in our local community out of a maximum achievable £2.

High-performing workforce

Tai Tarian provides a working environment that fosters a culture of continuous learning and development in which both formal and informal learning experiences are recognised and the organisation's performance is clearly linked with its people's individual performance. We have created an "Our Future, Your Talent" framework to support employees through career and personal development, that will drive a high performing workforce that meets the needs of the business.

Organisational Wellbeing

Tai Tarian continues to place a strong emphasis on employee Wellbeing. Our Wellbeing Strategy focusses on the needs of our employees and the specific support they require. During the Cost-of-Living crisis the organisation reacted by offering financial wellbeing to employees via our own in-house income teams as well as promoting emotional health support services.

Our Work in the Community

Our primary focus this year has been to systematically address the recommendations outlined in the community mapping booklets, whilst also conducting comprehensive reviews for each LIP area in preparation for the year 2023–2024.

Alongside coordinating this project, we have continued to maximise Community Benefits and Target Recruitment & Training, assisting many community groups across Neath Port Talbot.

Community Benefits and Donations



By leveraging our community benefit programme, a contractor provided a complimentary full day first aid training course for community members.

Working alongside our communications team we promoted this on our social media platforms, generating significant interest. The course achieved a 100% pass rate, demonstrating its success. We aspire to provide this training again in 2024-2025.



Cook Stars Neath Port Talbot was set up to teach children and teenagers how to create their very own nutritious dishes from scratch.

Our community benefits programme supported food sessions during the school holidays by supplying all the necessary ingredients.



Targeted Recruitment and Training

The Community Benefits programme isn't just about giving donations to groups, it's also about giving opportunities to local people.



During the year, our Target Recruitment and Training programme has been a remarkable success. We have been able to work in partnership with our contractors and external partners to share a variety of employment opportunities on our website, complete mock interviews, provide on-site work placements, and provide apprenticeship opportunities. Working in partnership with our contractor J.G. Hale Construction, four Tai Tarian apprentices were given the opportunity to work and study at our redevelopment site County Flats for a number of weeks.

Biodiversity Projects and School Engagement

The Economic and Social Regeneration team work closely with internal staff to identify suitable open spaces or work with the community and/or external partners to identify projects. The team also identifies volunteers and community groups to get involved through their community engagement and encourages community ownership of projects.

Through our community benefits initiative, we provided a range of plants, shrubs, and gardening tools for our enthusiastic community gardeners. In Velindre, a local resident turned a grassed verge into a beautiful bee bank with a variety of bee friendly flowers and shrubs. A contribution of fresh soil and multiple plants was made, all of which were planted in the spring.



STRATEGIC REPORT

We established a school involvement initiative which will be implemented over the next three years. Between April 2023 - March 2024, we completed eight school engagements across Neath Port Talbot. We visited the schools to deliver our biodiversity presentation in morning assemblies and presented the school with nature themed gifts for their shared communal garden.



Equality and Diversity

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

- Appointed a designated ED&I (Equality, Diversity & Inclusion) Partner
- Developing a new ED&I Training Programme for all colleagues, managers, and tenants.
- Developed a new Equality, Diversity, and Inclusion Framework with clear objectives in the organisation's journey to create an inclusive culture for both employees and contract holders.
- Set up an Equality Impact Assessment group, with both employees and contract holders, to assess the impact of our policies on protected characteristic groups.
- The composition of our Board has become more diverse, giving protected characteristic groups more of a voice in our decision making.
- Staff have been involved in promoting national campaigns to raise awareness of issues. For example, regular events have been held to support mental health.

GOVERNANCE

Board Structure and Membership

The composition of the Board is drawn from the following groups:

- 3 Tenant Members** Who are recruited through an open selection process
- 9 Independent Members** Who are recruited through an open selection process

On 31st March 2024 the Board had 11 full members, 1 independent co-opted member. A co-optee may act in all respects as a Board member but they cannot take part in the deliberations nor vote on the election of officers of the organisation nor any matter directly affecting shareholders.



Each Board member's learning and development needs are identified on an annual basis as part of their appraisal and a robust training programme is delivered to meet their needs. There are a number of mandatory courses including Finance, Risk Management, Data Protection, Health and Safety, Equality and Diversity that all Board members must undertake.

Board Responsibilities and Operation

Board members have a legal obligation to comply with the Rules of the organisation and promote the success of the organisation. The overall purpose of the Board is to provide strategic leadership and control of the organisation. It takes overall responsibility for decisions about the organisation's finances, standards, and policies. It monitors performance and holds management to account. Executive management responsibility including operational matters is delegated to the Chief Executive. The Board is accountable to the general members when carrying out these responsibilities. Day-to-day management is delegated to the Chief Executive and other senior executives who meet regularly and attend Board meetings.

Board Committees

There are five committees that report to the Board:

The Audit and Risk Committee - has delegated responsibility for all matters relating to investment appraisal, internal and external audit, internal control, insurance and risk, data protection, cyber security, finance, and treasury, subject to those identified as requiring a recommendation to the Board.

The work of the Committee shall comply with the Wales Audit Office's Code of Audit Practice.

Schedule 1 and Membership Committee - has delegated responsibility for all matters relating to approval of the use of exemptions under Schedule 1 of the Housing Act 1996 and applications for associate membership.

Asset Management Committee - has delegated responsibility for considering and where necessary reporting to Board for approval all matters relating to the asset management of Tai Tarian. This includes property and land services, development and acquisitions, capital investment, health and safety and decarbonisation.

Remuneration and Nominations Committee – has delegated responsibility for considering and making recommendations to Board for approval of all matters relating to establishing and reviewing the remuneration package, terms and conditions and severance conditions in relation to the Executive Management Team, the core terms and conditions of other staff and the annual cost of living award, support the Chair of the Board on the appointment or dismissal of the Chief



STRATEGIC REPORT

Executive, nominations to the Board Membership and review Non- Executive Board member pay and conditions of service.

Operations Committee – has delegated responsibility for monitoring the effective and efficient provision of services for those people living in Tai Tarian homes and those who seek assistance in meeting their housing needs. It also has delegated responsibility for monitoring staff performance, development, engagement and health and well-being.

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

Approved by the Board on 27th June 2024 and signed on its behalf by:



Board Chair



LEGAL STATUS AND PRINCIPAL ACTIVITIES

Tai Tarian is authorised and regulated by the Financial Conduct Authority as a registered society under the Cooperative and Community Benefit Societies Act 2014 with charitable rules as a not-for-profit social enterprise. It is a Registered Social Landlord (RSL). The Group's subsidiary Tirnod Limited is a private limited company registered in England & Wales.

The organisation's principal activities are to provide affordable homes and assist in community development primarily within the County Borough of Neath Port Talbot.

The organisation is owned by its members, all but one of whom are individuals holding one £1 share and are Board members, residents, local community groups or business members of Neath Port Talbot. The one exception is the Local Authority which also holds one £1 share.

GOING CONCERN

After making enquiries and considering the current economic climate, the Board has a reasonable expectation that the organisation has adequate resources to continue operations for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

RENTING HOMES (WALES) ACT

In March 2024, Tai Tarian became aware of a potential issue which could impact organisations in the sector regarding new obligations resulting from the implementation of the Renting Homes (Wales) Act 2016. In advance of the new obligations coming into effect, Tai Tarian had undertaken specialist training and sought detailed legal advice to ensure that the obligations were clearly understood and subsequently invested significant resources to design and implement new procedures to ensure compliance with those obligations. When we became aware of the potential sector issue in March 2024, we conducted a detailed review of the processes and procedures that we had put in place to ensure that they are working as designed and sought further legal advice regarding our compliance. As a result of the new legal advice received and the outcome of our audit of the work done, we remain confident that we are fully compliant with these new obligations. The outcome of this review was also audited as part of the year end audit of our Financial Statements.

POST BALANCE SHEET EVENTS

At the 31st March 2024, Tai Tarian was engaged in advanced negotiations to refinance its existing loan portfolio. Completion was achieved on 1st May 2024. The existing loan portfolio is therefore shown in the short-term creditors at the Balance Sheet date. Further information is available in Note 32, page 73.



BOARD REPORT

BOARD AND SENIOR EXECUTIVES

The Board members (as detailed on page 3) have held office during the whole of the year and to the date of this report unless otherwise stated.

The senior executives (as detailed on page 4) are appointed by the Board and have held office during the whole of the year and to the date of this report, unless otherwise stated.

The Group has insurance policies that indemnify its Board members and senior executives against liability when acting on its behalf.

REMUNERATION OF BOARD AND SENIOR EXECUTIVES

Board

Board members receive remuneration for their services. They also receive expenses to reimburse costs incurred, for example, in attending Board meetings.

Senior Executives

- **Policy**

The Board agrees the appointment of senior executives and their remuneration.

- **Service contracts**

Five senior executives are appointed under employment contracts with a three-month period of notice.

- **Pensions**

Four of the five senior executives appointed under employment contracts are members of the Local Government Pension Scheme which is a defined benefit pension scheme. The fifth senior executive is a member of the defined contribution scheme. These senior executives participate in the scheme on the same terms as all other eligible staff.

- **Terms and Conditions**

Senior executives are not entitled to any special benefits over and above those available to other eligible staff.

EMPLOYEES

The Board recognises that the success of the organisation and its ability to meet its objectives in an efficient and effective manner, depends on the commitment, quality, and engagement of its employees.

The organisation has maintained investment in staff through training and other self-development opportunities. Additionally, the organisation continues to maintain and develop its best practice for promoting health and wellbeing for all employees. All employees have access to our Employee Assistance Programme (EAP), a 24-hour helpline to support staff and their immediate family through any of life's issues or problems.



BOARD REPORT

The Board is also aware of its responsibilities on all matters relating to health and safety. The organisation has clear health and safety policies and provides staff training and education on health and safety matters.

The organisation is committed to equality of opportunity for all, creating a safe and supportive space for people to express their talents and live in their identities free from prejudice and discrimination.

WELSH LANGUAGE SCHEME

Legislation requires us to produce and publish an annual compliance report.

A copy of Tai Tarian's Welsh Language Scheme Tracking report to the Welsh Language Commissioner is available at our head office Tŷ Gwyn or on our website.

MODERN SLAVERY ACT 2015

Legislation was introduced in 2015 which requires us to produce an annual slavery and human trafficking statement.

A copy of Tai Tarian's Anti-Slavery and Human Trafficking Annual Statement is available at our head office Tŷ Gwyn or on our website.

GENERAL DATA PROTECTION REGULATION (GDPR)

Revised legislation was introduced in 2018. The Board acknowledges its responsibility for ensuring that appropriate internal controls are in place for compliance, the Audit and Risk Committee receive reports on activity and performance.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board acknowledges its responsibility for the management of the organisation's assets to ensure its long-term financial viability and the delivery of its business strategy for the benefit of its tenants. The management of risk is acknowledged to be a top priority of the Board with detailed monitoring performed by all relevant committees. For further information on the organisation's risk strategy, see page 16 of the Strategic Report.

INTERNAL CONTROL

The Board acknowledges that it is ultimately responsible for ensuring that a system of internal control and risk management is in place that is appropriate to the business and its operating environment, and that the effectiveness of controls are regularly reviewed throughout the year.

The Board is committed to these responsibilities having appointed the external auditor and external independent internal auditor who work in partnership with other similar organisations to promote best practice and increase business intelligence.



BOARD REPORT

Through the Audit and Risk Committee, the Board reviews the effectiveness of the systems of internal control by approving the work programme for internal audit, which reflect the main risks identified in the organisation's strategic risk register. Outcomes of both internal and external audit reviews are considered by the Committee with all recommendations appropriately acted upon.

In addition, the Board and Committees receive regular reports from the executive on all matters, including performance and governance. These reports are explicitly linked to the organisation's risks, governance, and finances.

As part of the holistic view of internal control the organisation has implemented a number of key processes to its system of internal control:

- Policies and procedures are in place that are well regulated and reviewed
- Monthly management reports are tailored to each strategic level that report revenue and costs; these are designed to identify any exceptions or lack of control
- IT systems have been implemented to create a more efficient and effective operating environment that comes with a greater degree of transparency and control
- Experienced and suitably qualified staff are employed and performance monitored through regular one-to-one meetings and annual appraisals; each staff member's goals, objectives and deliverables are aligned to that of the organisation
- All items of capital expenditure and/or major commitment are subject to formal authorisation procedures requiring executive approval prior to seeking Board approval.

The Audit and Risk Committee has reviewed the effectiveness of the system of internal control in the organisation for the year ended 31st March 2024. No weaknesses were found in internal controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the Auditor's Report on the financial statements and the Board is not aware of any such weaknesses from 1st April 2024 to date.

DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of each of the persons who are Members and Senior Executives of the organisation at the date when this report was approved:

- So far as each are aware, there is no relevant audit information (as defined in relevant legislation) of which the organisation's auditor is unaware; and
- Each have taken all steps that they ought to have taken to make them aware of any relevant audit information (as defined) and to establish that the organisation's auditor is aware of that information.

STATEMENT OF BOARD'S RESPONSIBILITIES

The Board is responsible for preparing the Report and Financial Statements in accordance with applicable law and regulations.



BOARD REPORT

The Co-operative and Community Benefit Societies Act 2014 and other legislation covering registered social landlords require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the organisation and of the surplus or deficit for that period. In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records that are sufficient to show and explain the organisation's transactions and disclose with reasonable accuracy at any time the financial position of the organisation and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, Schedule 1 to the Housing Act 1996, (as modified by the Housing (Wales) Measure 2011), the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. It is also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the organisation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

The auditors, Bevan Buckland LLP, are currently in year one of a three-year term.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 23rd July 2024.

Approved by the Board on 27th June 2024 and signed on its behalf by:

A handwritten signature in black ink that reads "J. P. Dancy".

Board Chair



Independent Auditor's report to the members of Tai Tarian registered under the Co-Operative and Community Benefit Societies Act 2014

Opinion

We have audited the financial statements of Tai Tarian Limited (the parent organisation) and its subsidiary for the year ended 31 March 2024 which comprise the consolidated and organisation statements of comprehensive income, the consolidated and organisation statements of changes in reserves, the consolidated and organisation statements of financial position, the consolidated cash flow statement and its related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent organisation's affairs as at 31st March 2024 and of the group's and parent organisation's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for Opinion

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

Conclusions relating to going concern

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



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

Other Information

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

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



Responsibilities of the Board

As explained more fully in the Statement of Responsibilities of the Board (set out on page 33), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

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

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



- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas;
 - Purchasing in relation to the development and maintenance programmes, including any sales to connected individuals at below market value;
 - The recognition of development and maintenance expenditure in the correct period;
 - The rationale of any major fund flows during the period;
 - The potential of rent fraud arising as a result of collusion between the asset and housing teams.
- obtaining an understanding of the legal and regulatory frameworks that the organisation operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Group.

Audit response to risks identified

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.



INDEPENDENT AUDITOR'S REPORT

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

Bevan Buckland.

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

Date: 27/6/2024



INDEPENDENT AUDITOR'S REPORT

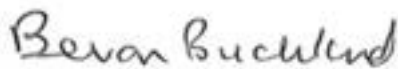
In addition to our audit on the financial statements for the year ended 31st March 2024, we have reviewed the Board's statement of Tai Tarian compliance with the Welsh Government Circular 02/10, Internal Financial Control and Financial Reporting ("the Circular").

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

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

Opinion

With respect to the Board's statement on internal financial control on page 32, in our opinion the Board of Management has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work in the financial statements.



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

Date: 27/6/2024



**GROUP & PARENT
STATEMENT OF COMPREHENSIVE INCOME
AT 31ST MARCH 2024**

	Note	GROUP		TAI TARIAN	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Turnover	3	59,315	54,944	59,315	54,944
Operating expenditure	3	(45,620)	(44,734)	(45,620)	(44,734)
Surplus/(Loss) on disposal of fixed assets	4	129	(247)	129	(247)
Operating surplus	3	13,824	9,963	13,824	9,963
Interest receivable	5	1,372	734	1,372	734
Interest and financing costs	6	(7,023)	(7,505)	(7,023)	(7,505)
Local Government Pension Scheme (LGPS) net financing gain/(loss)	32	40	(750)	40	(750)
Surplus before taxation		8,213	2,442	8,213	2,442
Taxation	10	-	-	-	-
Surplus for the year		8,213	2,442	8,213	2,442
Actuarial (loss)/gain in respect of pension scheme	32	(290)	30,790	(290)	30,790
Total comprehensive income for the year		7,923	33,232	7,923	33,232

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



**GROUP & PARENT
STATEMENT OF FINANCIAL POSITION
AT 31ST MARCH 2024**

	Note	GROUP		TAI TARIAN	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed assets					
Housing properties	11	244,543	229,959	244,543	229,959
Other fixed assets	12	3,828	3,965	3,828	3,965
Intangible assets	13	213	188	213	188
Investment in subsidiaries	14	-	-	-	-
		248,584	234,112	248,584	234,112
Current assets					
Stocks	15	244	180	244	180
Debtors	16	130,896	142,279	131,444	142,731
Cash and cash equivalents		28,631	32,379	28,083	31,927
		159,771	174,838	159,771	174,838
Creditors: amounts falling due within one year	17	(104,184)	(31,095)	(104,184)	(31,095)
Net current assets		55,587	143,743	55,587	143,743
Total assets less current liabilities		304,171	377,855	304,171	377,855
Creditors: amounts falling due after more than one year	18	(168,316)	(249,923)	(168,316)	(249,923)
		135,855	127,932	135,855	127,932
Pensions asset/(liability)	31	-	-	-	-
Net assets		135,855	127,932	135,855	127,932
Capital and reserves					
Non-equity share capital	21	-	-	-	-
Revenue reserve		135,855	127,932	135,855	127,932
Total capital and reserves		135,855	127,932	135,855	127,932

The financial statements on pages 41 to 73 were approved by the Board of Management on 27th June 2024.

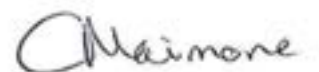
Signed on behalf of the Board:



Board Chair



Board Member



Secretary



**GROUP & PARENT
STATEMENT OF CHANGES IN RESERVES
AT 31ST MARCH 2024**

	GROUP		TAI TARIAN	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
At beginning of year	127,932	94,700	127,932	94,700
Surplus for the year	8,213	2,442	8,213	2,442
Actuarial gain/(loss)	(290)	30,790	(290)	30,790
At end of year	135,855	127,932	135,855	127,932



**GROUP & PARENT
STATEMENT OF CASH FLOW
AT 31ST MARCH 2024**

		GROUP		TAI TARIAN	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
	Note				
Net cash generated from operating activities	26	24,414	23,378	24,318	23,378
Cash flow from investing activities					
Purchase of tangible fixed assets		(25,502)	(23,998)	(25,502)	(23,998)
Proceeds from disposal of tangible fixed assets		141	199	141	199
Grants received		10,355	7,827	10,355	7,827
Interest received		1,332	734	1,332	734
		(13,674)	(15,238)	(13,674)	(15,238)
Cash flow from financing activities					
Interest paid		(6,988)	(7,445)	(6,988)	(7,445)
New loans		-	-	-	-
Repayment of borrowing		(7,500)	-	(7,500)	-
		(14,488)	(7,445)	(14,488)	(7,445)
Net change in cash and cash equivalents		(3,748)	695	(3,844)	695
Cash and cash equivalents at beginning of the year		32,379	31,684	31,927	31,232
Cash and cash equivalents at the end of the year		28,631	32,379	28,083	31,927



NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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) and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. Tai Tarian is a public benefit entity, as defined in FRS 102, and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

The accounting policies within this note have been applied consistently.

Basis of Consolidation

The Group financial statements consolidate the financial statements of Tai Tarian and its subsidiary as at 31st March. The organisation is required under the Co-operative and Community Benefit Societies Act 2014 to prepare Group Accounts. The consolidation has been carried out in accordance with current accounting standards in order to show the financial information for the Group as a single economic entity. Where any conflict arises between the Housing SORP 2018 and applicable financial reporting standards, then the Housing SORP 2018 prevails.

Subsidiaries are consolidated from the date of acquisition. This is the date upon which the Group achieves control. This is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries continue to be consolidated until the Group ceases to have control, with any minority interest of other shareholders removed in accordance with FRS102.

Going Concern

Tai Tarian's activities, its current financial position, and factors likely to affect its future development are set out within the Strategic Report. The organisation has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with its day-to-day operations. The organisation also has a long-term business plan which shows that is able to service these debt facilities whilst continuing to comply with lenders' covenants.

On this basis, the Board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.



Turnover

Turnover represents rental and service charges receivable (net of rent and service charge losses from empty properties). It also includes revenue grants reimbursing specific expenditure items, amortisation of Social Housing and other Government grants and other sundry income receivable. Rental and service charge income is recognised in line with occupation contracts and lease agreements.

Social Housing Grant (SHG) and other Government Grants

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred it is recognised as revenue in the period in which it becomes receivable.

Dowry Gap Funding is recognised in income over the period in which the grant is intended.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Housing Finance Grant (HFG)

HFG is paid by Welsh Government towards the costs of housing assets over a period of 30 years to subsidise the capital and interest costs for the provision of affordable housing. The net present value of the HFG receivable over the agreed payment term is recognised as a capital grant and a deferred debtor.

Upon receipt of the grant payments, the debtor decreases by the capital element and the difference between this and the amount of grant received is credited to surplus or deficit in the Statement of Comprehensive Income as a contribution towards the financing cost of that scheme.

The capital grant element of HFG previously received is deemed to be repayable upon disposal of a related housing asset.

Recycling of Grants

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



NOTES TO THE FINANCIAL STATEMENTS

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

Capital Expenditure

Capital expenditure is defined as expenditure where the benefits last more than 12 months and relates to the acquisition, creation, or enhancement of a fixed asset such as land, housing properties, new buildings, vehicles, furniture, and equipment. This is different to revenue spending, which covers day-to-day items to run services such as staffing and purchase of services.

A de-minimis cost threshold of £1,000 for capitalisation applies to other fixed assets.

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

Intangible Assets

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

Intangible assets include capitalised salaries in respect of in-house development of software, creating internally generated assets.

Fixed Assets

Fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. The surplus or deficit made on the disposal of fixed assets is recognised in the Statement of Comprehensive Income in the period of disposal.

Housing Properties

Housing Properties are those available for rent.

Housing properties principally comprise:

1. The properties transferred from Neath Port Talbot County Borough Council (NPTCBC) on 4th March 2011 which were initially recorded at nil cost and subsequently include the value of the works required to bring them up to Welsh Housing Quality Standard.
2. Purchased properties cost is the cost of acquiring the property plus associated fees and works required to bring them into use.
3. New development is where new homes are commissioned and built. These properties are held at cost. The development cost of properties includes the following:
 - cost of land and buildings
 - professional fees



NOTES TO THE FINANCIAL STATEMENTS

- management costs directly related to the development scheme
- interest incurred during the development period is capitalised and added to the cost of completed housing properties based on the organisation's net investment and its average borrowing costs during the year
- provision for the cost of work completed but not paid for at the year end.

The cost of housing properties includes directly attributable costs in bringing them into working condition for their intended use or developing new properties. Directly attributable costs are the labour costs of the organisation's employees arising directly from the construction or acquisition of property and incremental costs that would have been avoided only if individual properties had not been constructed or acquired.

Expenditure on existing housing properties is capitalised to the extent that it improves the economic benefit of the asset. Such enhancement can occur if the improvements result in either:

- an increase in rental income
- a material reduction in future maintenance costs
- a significant extension to the life of the property
- a significant increase in the market value of the property.

Only main component improvements that meet these criteria are capitalised and these are depreciated over their estimated component life span, on a straight-line basis.

Depreciation periods are shown below. All other costs are written off to the Statement of Comprehensive Income as incurred.

Surpluses or deficits on sale of properties are recognised at the date a sale becomes certain. The surplus or deficit is the difference between the sale price and the aggregate of the depreciated cost and any allocated cost of disposal such as legal and valuation fees.

Depreciation

Freehold Land

Freehold land is not depreciated.

Housing Properties and office premises

Depreciation of buildings is charged by component so as to write down the net book value to their residual value on a straight-line basis from first full year in use, over their estimated useful economic lives to the business.



NOTES TO THE FINANCIAL STATEMENTS

The estimated economic lives of the principal components are as follows:

Structure	100 years
Roof Structure and Coverings	40 years
External Wall Finish	30 years
Electrical Installations	30 years
Doors	25 years
Windows	25 years
Bathrooms	25 years
Kitchens	15 years
Heating	15 years
Landscaping and Groundworks	60 years

Other Fixed Assets

Depreciation is calculated to write off the cost of the fixed asset less any residual value, on a straight-line basis over its estimated useful economic life. The rates used for other assets are:

Office furniture and other equipment	5-10 years
IT	2-5 years

Intangible Assets

Computer Software	2-5 years
-------------------	-----------

Impairment

Housing properties are subject to an annual impairment review in accordance with FRS 102. Any impairment of fixed assets is written down to the recoverable amount and the write down is charged to the Statement of Comprehensive Income.

Investment in Subsidiary

Investment in the subsidiary is accounted for at cost less any impairment.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less and bank overdrafts. Bank overdrafts, where applicable, are shown within borrowings in current liabilities.



NOTES TO THE FINANCIAL STATEMENTS

Financial instruments

Financial assets carried at amortised cost

Financial assets comprise rent and service charge arrears, other debtors, prepayments and cash and cash equivalents. Where the effect of discounting is material, financial assets are measured at amortised cost using the effective interest method.

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

Financial liabilities carried at amortised cost

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

Loans which are classed as basic financial instruments under FRS 102 are measured at amortised cost using the effective interest method, with interest and related charges recognised as an expense in finance costs in the Statement of Comprehensive Income.

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

Stocks

Stocks are stated at the lower of cost or net realisable value, measured on a first in first out basis. Cost includes all costs incurred in bringing each item to its present location and condition.

Bad and Doubtful Debts

Provision is made against rent and service charge arrears for both current and former tenants and against sundry debts to the extent that they are considered by management as irrecoverable.

Operating Leases

Costs in respect of operating leases are charged to the Statement of Comprehensive Income in the period to which they relate. Operating lease premiums are accounted for within debtors as lease prepayments and are amortised over the life of the lease period.

Finance Leases

Leases of assets that transfer substantially all the risks and rewards of ownership are classified as finance leases. At the commencement of the lease term, the lessor should record a finance lease in the Balance Sheet as a receivable, at an amount equal to the net investment in the lease.

Interest and Financing Costs

Financing costs are interest and other costs incurred in connection with the borrowing of funds, including fees paid to financing parties for their commitments to lend money to Tai Tarian in the future. Borrowing costs are amortised over the period that the company derives benefit from a financial instrument, such as a loan, using the effective interest rate method.



NOTES TO THE FINANCIAL STATEMENTS

Pension Costs

The organisation is a member of the Local Government Pension Scheme (LGPS), a defined benefit scheme operated by The City and County of Swansea. Contributions are based on the advice of an independent actuary. In accordance with FRS 102, the Fund is valued by a qualified independent actuary in order to ascertain the value of the Fund at the year end. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is only recognised to the extent that it is recoverable either through reduced contributions to the plan or by way of a cash refund from the plan. For more information see Note 31.

The organisation offers a defined contribution scheme which came into effect in April 2016, this scheme is open to all employees.

Tirnod Limited has no employees therefore there is no pension scheme in place.

Taxation

Tai Tarian is treated as a charitable organisation for taxation purposes. This was confirmed by HM Revenue & Customs (HMRC) on 1st February 2011, (effective date 15th September 2010, ref no XT26558). Consequently, the surpluses derived from primary charitable activities are exempt from taxation. This treatment is reviewed annually in line with the activities undertaken by the organisation to ensure the exemption still applies.

Tirnod Limited recorded no profit or loss in the year, therefore no provision has been made for Corporation tax or any group taxation charge.

Value Added Tax (VAT)

The organisation is registered for VAT. A large proportion of its income, rents, and service charges, is exempt for VAT purposes thus giving rise to a partial exemption calculation whereby the organisation is only able to recover a proportion of its input VAT. An approved VAT Shelter is in place for housing stock transferred from NPTCBC such that VAT on works carried out under the VAT Shelter is fully recoverable.

Tirnod Limited, is separately registered for VAT and is not party to any VAT schemes.

2. SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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



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

SIGNIFICANT MANAGEMENT JUDGEMENTS

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

Impairment of social housing properties

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

Estimation Uncertainty

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

Bad and Doubtful Debts

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

Economic Life of Assets

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

Defined Benefit Pension Scheme

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

Management have carefully considered the extent to which a pension asset should be recognised under accounting standards, which require an entity to limit the measurement of a net defined



NOTES TO THE FINANCIAL STATEMENTS

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

3. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Income				
Rents receivable	48,041	45,006	48,041	45,006
Service charges receivable	3,279	2,548	3,279	2,548
	51,320	47,554	51,320	47,554
Welsh Government Dowry	6,200	6,200	6,200	6,200
Amortisation of Social Housing & other Government grants	617	353	617	353
Other income from social housing lettings	1,178	837	1,178	837
Turnover from social housing lettings	59,315	54,944	59,315	54,944
Expenditure				
Management costs	13,704	14,251	13,704	14,251
Service costs	4,440	3,608	4,440	3,608
Maintenance costs	16,015	15,574	16,015	15,574
Losses from bad debts	350	441	350	441
Depreciation and amortisation	11,111	10,860	11,111	10,860
Operating costs on social housing lettings	45,620	44,734	45,620	44,734
Surplus/(Loss) on disposal of fixed assets	129	(247)	129	(247)
Operating surplus on social housing lettings	13,824	9,963	13,824	9,963
Rent loss due to voids (memorandum note)	(1,012)	(772)	(1,012)	(772)



NOTES TO THE FINANCIAL STATEMENTS

4. SURPLUS/(LOSS) ON DISPOSAL OF FIXED ASSETS

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Disposal proceeds	142	204	142	204
Disposal costs	(13)	(451)	(13)	(451)
Surplus/(Loss) on disposal	129	(247)	129	(247)

5. INTEREST RECEIVABLE

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank and short term deposit interest receivable	1,372	734	1,372	734

6. INTEREST AND FINANCING COSTS

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank interest payable and similar charges	6,729	6,970	6,729	6,970
Non-utilisation fees	230	471	230	471
Amortisation of deferred financing costs	64	64	64	64
	7,023	7,505	7,023	7,505

Bank interest payable and similar charges includes security and other fees paid. Non-utilisation fees relate to charges incurred on the loan balance not yet drawn.

In line with requirements of FRS 102 the amortisation of deferred financing costs represents the allocation to the current year of arrangement fees for the loan facility combined with the effect of smoothing interest charges over the life of the loan using the effective interest rate method.



7. OPERATING SURPLUS

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Operating surplus for the year is stated after charging:				
Depreciation and amortisation of fixed assets	10,943	10,539	10,943	10,539
Accelerated depreciation on component disposal	168	321	168	321
Amortisation of deferred Government grants	(617)	(353)	(617)	(353)
Operating leases				
- Property	66	71	66	71
- Vehicles	547	552	547	552
- Other	248	290	248	290
Auditor's remuneration (inclusive of VAT)				
- Statutory audit fees	29	24	29	24
- Other professional fees	1	1	1	1

8. EMPLOYEE NUMBERS AND COSTS

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

	GROUP		TAI TARIAN	
	2024 Number	2023 Number	2024 Number	2023 Number
Central Support	77	74	77	74
Operational delivery				
Housing	139	133	139	133
Assets	294	297	294	297
	433	430	433	430
Total	510	504	510	504

The basis of the calculation of full-time equivalent number of employees is the total number of hours worked in each month divided by a standard 37-hour week, shown as an annual average. In total, the actual average monthly number of staff was 525 (2023: 518).



NOTES TO THE FINANCIAL STATEMENTS

The aggregate employment costs of these persons were as follows:

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Wages and salaries	16,778	15,536	16,778	15,536
Social security costs	1,603	1,519	1,603	1,519
Other pension costs - employer's contributions payable (Legal & General defined contribution scheme)	362	281	362	281
Other pension costs - employer's contributions payable (LGPS defined benefit scheme)	1,907	1,868	1,907	1,868
Other pension costs - difference between current and past service cost and contributions payable (LGPS defined benefit scheme)	(250)	1,450	(250)	1,450
Total	20,400	20,654	20,400	20,654

9. BOARD MEMBERS' AND DIRECTORS' REMUNERATION

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Directors				
Salaries and fees	589	650	589	650
Pension contributions	124	116	124	116
	713	766	713	766

Social security costs and irrecoverable VAT on fees which are costs to the organisation are not included in directors' remuneration.

Board members

Total remuneration paid to Board members was £80,454 (2023: £75,198). The total of expenses paid to the Board was £1,810 (2023: £960).

Remuneration of the highest paid director, excluding pension contributions and social security costs:

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Salary	159	150	159	150



NOTES TO THE FINANCIAL STATEMENTS

The highest paid director (Chief Executive) is an ordinary member of the LGPS pension scheme and no enhanced special terms apply. Tai Tarian's contribution in respect of the Chief Executive's pension fund amounted to £37,081 (2023: £33,474).

The full-time equivalent number of directors who received remuneration, including pension contributions but excluding social security costs, in excess of £50,000 are shown below:

	GROUP		TAI TARIAN	
	2024 Number	2023 Number	2024 Number	2023 Number
£70,000 - £79,999	1	-	1	-
£130,000 - £139,999	-	2	-	2
£140,000 - £149,999	2	1	2	1
£150,000 - £159,999	1	-	1	-
£160,000 - £169,999	-	1	-	1
£180,000 - £189,999	-	1	-	1
£190,000 - £199,999	1	-	1	-

In respect of Tirnod Limited, the Board members and directors are unpaid.

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

The organisation is registered with charitable status and is a registered society under the Co-operative and Community Benefit Societies Act 2014. It benefits from corporation tax exemptions available to charitable bodies. On the basis that its activities fall within its charitable purposes and its funds are applied only for these purposes, no provision for corporation tax is made.

No provision for corporation tax has been made in respect of Tirnod Limited as the company transactions gave rise to no profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

11. FIXED ASSETS - HOUSING PROPERTIES - GROUP & TAI TARIAN

	Freehold Housing Properties held for letting £'000	Freehold Housing Properties under construction £'000	Total £'000
Cost			
At beginning of year	284,918	15,794	300,712
Additions during the year:			
Completed properties acquired	854	-	854
Components capitalised	11,180	13,221	24,401
Transfers on completion	11,758	(11,758)	-
Disposals during the year	(312)	(9)	(321)
At 31st March 2024	308,398	17,248	325,646
Depreciation			
At beginning of year	(70,753)	-	(70,753)
Charged during the year	(10,651)	-	(10,651)
Eliminated on disposals	301	-	301
At 31st March 2024	(81,103)	-	(81,103)
Net book value			
At 31st March 2024	227,295	17,248	244,543
At 31 st March 2023	214,165	15,794	229,959

	Cost £'000	Dep'n £'000	2024 £'000	2023 £'000
Housing properties held for letting comprise:				
Freehold property capitalised repairs, replacements and improvements	261,157	(77,747)	183,410	181,369
Freehold property constructed	34,653	(1,952)	32,701	21,420
Freehold property under construction	17,248	-	17,248	15,794
Freehold property acquired	12,588	(1,404)	11,184	11,376
	325,646	(81,103)	244,543	229,959



NOTES TO THE FINANCIAL STATEMENTS

Houses and bedspaces in management at the end of the year	2024	2023
Housing accommodation	Number	Number
General needs	8,698	8,648
Sheltered accommodation (Haven Housing)	432	432
	9,130	9,080
Leasehold management services	449	452
	9,579	9,532

12. OTHER FIXED ASSETS - GROUP & TAI TARIAN

	Office premises £'000	Office furniture and equipment £'000	IT £'000	Total £'000
Cost				
At beginning of year	4,528	694	1,851	7,073
Additions during the year	-	220	48	268
Disposals during the year	-	-	-	-
At 31 st March 2024	4,528	914	1,899	7,341
Accumulated Depreciation				
At beginning of year	(1,106)	(477)	(1,525)	(3,108)
Charged during the year	(108)	(73)	(224)	(405)
Eliminated on disposals	-	-	-	-
At 31 st March 2024	(1,214)	(550)	(1,749)	(3,513)
Net book value				
At 31 st March 2024	3,314	364	150	3,828
At 31 st March 2023	3,422	217	326	3,965



NOTES TO THE FINANCIAL STATEMENTS

13. INTANGIBLE FIXED ASSETS - GROUP & TAI TARIAN

	Computer software £'000
Cost	
At beginning of year	1,164
Additions during the year	150
Disposals during the year	(70)
At 31 st March 2024	1,244
Amortisation	
At beginning of year	(976)
Charged during the year	(55)
Eliminated on disposals	-
At 31 st March 2024	(1,031)
Net book value	
At 31 st March 2024	213
At 31 st March 2023	188

14. FIXED ASSET INVESTMENTS

	GROUP		TAI TARIAN	
	2024 £	2023 £	2024 £	2023 £
Investment in subsidiaries	-	-	1	1

On 9th March 2021 Tai Tarian acquired 100% of the issued share capital of Tirnod Limited, a company incorporated in the United Kingdom. Tirnod Limited is not a Registered Social Landlord. The registered office of Tirnod Limited is set out on page 6.

The financial results and position of Tirnod Limited for the year ended 31 March 2024 have been consolidated into the group financial statements.

Aggregate share capital and reserves	£	1
Profit & Loss	£	-



NOTES TO THE FINANCIAL STATEMENTS

15. STOCK

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Raw materials	132	106	132	106
Finished goods	112	74	112	74
Stock of materials	244	180	244	180

16. DEBTORS

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts due within one year				
Arrears of rent and service charges	2,924	2,866	2,924	2,866
Less: provision for bad and doubtful debts	(1,123)	(1,099)	(1,123)	(1,099)
	1,801	1,767	1,801	1,767
VAT Shelter agreement (note 30)	10,000	12,500	10,000	12,500
Other debtors and prepayments	2,154	4,413	2,683	4,942
Less: provision for bad and doubtful debts	(704)	(655)	(704)	(655)
Lease debtor	2,692	2,788	-	-
	15,943	20,813	13,780	18,554
Amounts due after more than one year				
VAT Shelter agreement (note 30)	113,774	120,277	113,774	120,277
Other debtors and prepayments	1,179	1,189	1,179	1,189
Inter company loan	-	-	2,711	2,711
	114,953	121,466	117,664	124,177
	130,896	142,279	131,444	142,731



NOTES TO THE FINANCIAL STATEMENTS

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Housing loans (note 20)	83,171	7,447	83,171	7,447
Trade creditors	7,277	7,917	7,277	7,917
Taxation and social security	392	351	392	351
Rent and service charges received in advance	449	473	449	473
Deferred Income: Social Housing and other Government Grants	876	603	876	603
VAT Shelter agreement (note 30)	10,000	12,500	10,000	12,500
Other creditors	5	28	5	28
Grants received in advance	2,014	1,776	2,014	1,776
	104,184	31,095	104,184	31,095

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

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Housing loans (note 20)	7,603	90,889	7,603	90,889
Trade creditors	670	-	670	-
Deferred Income: Social Housing and other Government grants	46,269	38,757	46,269	38,757
VAT Shelter agreement (note 30)	113,774	120,277	113,774	120,277
	168,316	249,923	168,316	249,923



NOTES TO THE FINANCIAL STATEMENTS

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

	Freehold Housing Properties held for letting	Freehold Housing Properties under construction	Other Fixed Assets	Recycled Capital Grant Fund	Total
	£'000	£'000	£'000	£'000	£'000
Grants					
At beginning of year	18,783	22,696	57	53	41,589
Transferred on completion	9,034	(9,034)	-	-	-
Additions during the year	2,300	6,102	-	-	8,402
At end of year	30,117	19,764	57	53	49,991
Amortisation of Grants					
At beginning of year	(2,229)	-	-	-	(2,229)
Charge for the year	(606)	-	(11)	-	(617)
At end of year	(2,835)	-	(11)	-	(2,846)
Net book value					
At 31 st March 2024	27,282	19,764	46	53	47,145
At 31 st March 2023	16,554	22,696	57	53	39,360
Amounts falling due:					
Due within one year	865	-	11	-	876
Due after one year	26,417	19,764	35	53	46,269

20. DEBT ANALYSIS

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank & Welsh Government Loans				
On demand or within one year	84,000	7,500	84,000	7,500
Less: transaction costs on issue	(829)	(53)	(829)	(53)
	83,171	7,447	83,171	7,447
Between one and two years	-	3,300	-	3,300
Between two and five years	-	5,100	-	5,100
After five years	7,729	83,329	7,729	83,329
Less: transaction costs on issue	(126)	(840)	(126)	(840)
	7,603	90,889	7,603	90,889
	90,774	98,336	90,774	98,336



NOTES TO THE FINANCIAL STATEMENTS

At the year end, a loan facility of £129m was in place with The Royal Bank of Scotland, Santander and Nationwide to enable Tai Tarian to continue to undertake a major improvement programme to the housing stock, as well as build and acquire new homes. The total facility is split between £21m revolving and £108m term loan, both expiring 31st March 2041.

The maturity and interest rates applicable to the loans outstanding at year end are as follows:

Term Loan:

Facility	Loan	Fixed/Variable	Balance (€m's)	Fixed Rate	Margin	Total	Maturity	Maturity
A - Term Loan	3	Fixed	12.00	4.97%	2.50%	7.47%	21/09/2034	21/09/2034
A - Term Loan	4	Fixed	17.55	5.02%	2.50%	7.52%	21/03/2035	21/03/2035
A - Term Loan	5	Fixed	20.25	5.04%	2.50%	7.54%	21/03/2036	21/03/2036
A - Term Loan	6	Fixed	34.20	5.18%	2.50%	7.68%	21/03/2034	21/03/2034
A - Term Loan	Total		84.00					

The term loans are at fixed interest rates plus a margin of 2.5% from 1st April 2016.

At 31st March 2024 the organisation had unutilised facilities of £13.3m (2023: £37.7m).

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

On the 1st May 2024 Tai Tarian completed the refinancing of its existing loan portfolio. Further information can be found in Note 32, page 73.

At 31st March 2024, the organisation had 2 interest-free loans in place with Welsh Government, one repayable in 2031 and one repayable in 2040.

Term Loan:

Facility	Type	Balance (€m's)	Total	Maturity	Repayment
Sevenoaks Modular	Interest Free	2.85	0.00%	2031	Bullet
County Flats	Interest Free	4.88	0.00%	2040	Bullet
Welsh Government Loans	Total	7.73			

21. NON-EQUITY SHARE CAPITAL

Shares held by members - £1 each fully paid and issued:

At beginning of the year

Issued during the year

Cancelled during the year

At end of the year

GROUP		TAI TARIAN	
2024	2023	2024	2023
€	€	€	€
218	228	218	228
8	4	8	4
(13)	(14)	(13)	(14)
213	218	213	218



NOTES TO THE FINANCIAL STATEMENTS

The shares provide all members (apart from associates and leaseholders over 5% of the total number of shareholders) with the right to vote at general meetings, but do not provide any rights to dividends, redemption or distribution following a winding up. Details of the membership and their voting rights are set out below:

Category	Member	Voting Shares
Tenant	173	173
Leaseholder	5	5
Independent	8	8
Associate	27	0
Total	213	186

The Associate members cannot vote in general meetings but are eligible to take part in other membership committees and forums.

The rules of the organisation state that most decisions at general meetings can be settled by a simple majority of voting shares. Certain matters, such as Rule changes, can only be amended or rescinded by way of a written resolution or by the percentage of votes cast at a general meeting.

22. FINANCIAL INSTRUMENTS

	Note	GROUP		TAI TARIAN	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Financial assets					
Measured at undiscounted amount receivable					
Rent arrears and other debtors	16	130,896	142,279	131,444	142,731
Financial liabilities					
Measured at amortised cost					
Loans payable	20	90,774	98,336	90,774	98,336
Measured at undiscounted amount payable					
Trade and other creditors	17,18	181,727	182,682	181,727	182,682
		272,501	281,018	272,501	281,018

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

		GROUP		TAI TARIAN	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Interest income and expense					
Total interest payable and similar charges for financial liabilities at amortised cost	6	(7,023)	(7,505)	(7,023)	(7,505)



NOTES TO THE FINANCIAL STATEMENTS

23. RELATED PARTY TRANSACTIONS

All transactions with related parties are made at arm's length, on normal commercial terms and the related parties cannot use their position to their advantage.

During the year the organisation provided rented accommodation to 5 (2023: 5) Board members. The total rent payable was £18,796 (2023: £13,714). At the year-end £433 (2023: £446) was owed to the organisation, of which £433 (2023: £446) was overdue. In addition, rented accommodation was provided to 1 (2023: 1) close relative of Board members.

During the year the organisation made payments of £263,138 (2023: £205,434) to NPTCBC relating to Upvc factory rent, rates, and service level agreements. As at the year end, the organisation owed NPTCBC a total of £496 (2023: £2,765) and was owed a total of £Nil (2023: £4,095) by NPTCBC.

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

The Group has taken exemption under paragraph 33.1A of FRS102 in relation to related party transactions between members of the Group which are wholly owned subsidiaries.

24. OPERATING LEASES - GROUP & TAI TARIAN

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

	2024		2023	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Lease payments due:				
within 1 year	64	501	52	724
between two and five years	213	454	148	582
in over 5 years	323	-	355	-
	600	955	555	1,306

25. CAPITAL COMMITMENTS

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Expenditure contracted but not provided for	18,742	15,932	18,742	15,932
Expenditure authorised by the Board but not contracted	8,783	11,749	8,783	11,749
	27,525	27,681	27,525	27,681

Capital commitments are those which are due within a year, of which £13.1m (2023: £11.5m) relate to major works and will be funded by cash generated from operations, grant income and our existing loan facilities as detailed in Note 20.



NOTES TO THE FINANCIAL STATEMENTS

26. NET CASH GENERATED FROM OPERATING ACTIVITIES

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Surplus for the year	8,213	2,442	8,213	2,442
Adjustments for non-operating activities				
(Surplus)/Loss on disposal of fixed assets	(129)	247	(129)	247
Interest receivable	(1,372)	(734)	(1,372)	(734)
Interest payable	6,959	7,441	6,959	7,441
Local Government Pension Scheme (LGPS) net financing (gain)/loss	(40)	750	(40)	750
Adjustments for non-cash items				
Amortisation of intangible assets	55	50	55	50
Depreciation of tangible fixed assets	11,056	10,810	11,056	10,810
Amortisation of deferred grant income	(617)	(353)	(617)	(353)
Amortisation of deferred financing costs	64	64	64	64
Pension costs less contributions payable	(250)	1,450	(250)	1,450
Decrease in debtors	9,705	7,428	9,609	7,428
Decrease in creditors	(9,166)	(6,221)	(9,166)	(6,221)
(Increase)/Decrease in stocks	(64)	4	(64)	4
Net cash generated from operating activities	24,414	23,378	24,318	23,378

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

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
(Decrease)/Increase in cash	(3,748)	695	(3,844)	695
Decrease/(Increase) in loans	7,500	-	7,500	-
Increase in net debt	3,752	695	3,656	695
Net debt at start of year	(66,850)	(67,545)	(67,302)	(67,997)
Net debt at end of year	(63,098)	(66,850)	(63,646)	(67,302)



NOTES TO THE FINANCIAL STATEMENTS

28. ANALYSIS OF NET DEBT

GROUP

	Cash at bank & in hand	Loans due in less than one year	Loans due in more than one year	Changes in net debt
	£'000	£'000	£'000	£'000
At beginning of year	32,379	(7,500)	(91,729)	(66,850)
Net cash flows	(3,748)	(76,500)	84,000	3,752
At 31st March 2024	28,631	(84,000)	(7,729)	(63,098)

TAI TARIAN

	Cash at bank & in hand	Loans due in less than one year	Loans due in more than one year	Changes in net debt
	£'000	£'000	£'000	£'000
At beginning of year	31,927	(7,500)	(91,729)	(67,302)
Net cash flows	(3,844)	(76,500)	84,000	3,656
At 31st March 2024	28,083	(84,000)	(7,729)	(63,646)



29. FREE CASH FLOW

	GROUP		TAI TARIAN	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Net cash generated from operating activities	24,414	23,378	24,318	23,378
Interest paid	(6,988)	(7,445)	(6,988)	(7,445)
Interest received	1,332	734	1,332	734
Taxation paid	-	-	-	-
Adjustments for reinvestment in existing properties				
Component replacements	(11,180)	(10,948)	(11,180)	(10,948)
Purchase of other replacement fixed assets	(418)	(337)	(418)	(337)
Component replacement grant received	-	-	-	-
Free cash consumed before loan repayments	7,160	5,382	7,064	5,382
Loans repaid (excluding revolving credit and overdrafts)	(7,500)	-	(7,500)	-
Free cash consumed after loan repayments	(340)	5,382	(436)	5,382

30. VAT SHELTER / DEVELOPMENT AGREEMENT

Upon the transfer of the housing stock, NPTCBC contracted Tai Tarian to carry out an agreed schedule of refurbishment works to the properties (the Development Agreement). The work was costed at £346.3 million of which £222.6 million (2023: £213.6m) has been completed.

The cost to NPTCBC of these works was offset by an equal increase in the purchase price for the housing stock paid by Tai Tarian, and payment between the parties was assumed to have taken place on the transfer date. In accordance with FRS 102, the resulting debtor and creditor are disclosed separately in the financial statements. The arrangement constitutes an allowable VAT shelter, whereby Tai Tarian is able to reclaim VAT charged by suppliers and contractors in fulfilling the works.

It is forecast that the work will be performed over a 15-year period and the costs will be capitalised as they are incurred, in accordance with the organisation's accounting policy. Should the work not be completed as specified, the Development Agreement may be terminated with no financial loss to Tai Tarian.



NOTES TO THE FINANCIAL STATEMENTS

31. PENSION

The organisation is an admitted body to the Local Government Pension Scheme (LGPS) operated by the City and County of Swansea (the Fund). The organisation was admitted to the Scheme on 4th March 2011.

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Employer and employee contributions in the period totalled £2.45m (2023: £2.44m).

In accordance with the requirements of FRS 102, the Fund has been valued by a qualified independent actuary, Aon Hewitt Limited in order to ascertain the value of the Fund as at the year end.

The Fund Regulations require that a full actuarial valuation is carried out every third year, the purpose of this being to establish that the Fund is able to meet its liabilities to past and present contributors and to review employer contribution rates. The last full actuarial valuation as at 31st March 2022 was prepared by Aon Hewitt Limited.

The FRS 102 accounting results at 31st March 2024 have resulted in a significant decrease in the amount recognised in the Statement of Comprehensive Income, with an actuarial loss of £0.3m (2023 actuarial gain £30.8m) and within the Statement of Financial Position, there has been no movement in the pension asset/liability as it remains restricted at Nil. Although the net return on assets over the period has been higher than expected the impact of changes to assumptions has had a significant impact on liabilities.

Principal assumptions used within this valuation were:

	2024	2023
	% pa	% pa
CPI Inflation	2.6	2.7
Pension accounts revaluation rate	2.6	2.7
Rate of increase in salaries	4.1	4.2
Rate of increase in pensions	2.6	2.7
Discount rate	4.8	4.7

Mortality assumptions:

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. The assumed life expectations on retirement at age 65 are:



NOTES TO THE FINANCIAL STATEMENTS

	2024 Years	2023 Years
Males		
Retiring today	21.7	22.2
Retiring in 20 years	22.4	22.9
Females		
Retiring today	24.3	24.7
Retiring in 20 years	25.3	25.8

The analysis of the Fund assets was as follows:

	31 st March 2024 % pa	31 st March 2023 % pa
Equities	69.2	70.8
Government bonds	0.9	0.9
Other bonds	0.0	0.0
Property	3.2	3.8
Multi asset credit	2.1	2.1
Cash/liquidity	0.6	7.3
Other	24.0	15.1
Total	100.0	100.0

Other holdings include hedge funds, currency holdings, asset allocation futures and other financial instruments.

Amounts recognised in the Statement of Comprehensive Income

	2024 £'000	2023 £'000
Current service cost	1,640	3,320
Past service cost	-	-
Interest on pension liabilities	3,700	3,110
Interest income on assets	(4,110)	(2,360)
Interest on unrecognised asset	370	-
Pension cost expensed	1,600	4,070
Recognised in other comprehensive income	290	(30,790)
Total pension cost recognised in the Statement of Comprehensive Income	1,890	(26,720)



NOTES TO THE FINANCIAL STATEMENTS

Amount included in the Statement of Financial Position	2024	2023
	£'000	£'000
Present value of scheme liabilities	(79,900)	(79,500)
Fair value of scheme assets	99,770	87,320
Unrecognised asset	(19,870)	(7,820)
Asset/(Liability) in the scheme	-	-

Movements in the present value of defined benefit obligations during the year:

	2024	2023
	£'000	£'000
Opening present value of liabilities	79,500	115,860
Current service cost	1,640	3,320
Interest cost	3,700	3,110
Contributions by the participants	560	570
Past service cost	-	-
Actuarial (gains)/losses on liabilities	(3,150)	(41,240)
Benefits and transfers paid	(2,350)	(2,120)
Total value of liabilities	79,900	79,500

Movements in the fair value of scheme assets during the year:

	2024	2023
	£'000	£'000
Opening fair value of assets	87,320	87,270
Interest income on assets	4,110	2,360
Actuarial gains/(losses) on assets	8,240	(2,630)
Contributions by the employer	1,890	1,870
Contributions by the participants	560	570
Benefits and transfers paid	(2,350)	(2,120)
Total fair value of plan assets	99,770	87,320

Interest income on assets	4,110	2,360
Actuarial gains/(losses) on assets	8,240	(2,630)
Actual (loss)/return on assets	12,350	(270)



Discount rate assumption

Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£m)	78.38	79.90	81.42
% change in present value of total obligation	-1.9%		1.9%
Projected service costs (£m)	1.51	1.57	1.63
Approximate % change in projected service cost	-3.9%		4.0%

Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£m)	80.14	79.90	79.66
% change in present value of total obligation	0.3%		-0.3%
Projected service costs (£m)	1.57	1.57	1.57
Approximate % change in projected service cost	0.0%		0.0%

Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption

Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£m)	81.18	79.90	78.62
% change in present value of total obligation	1.6%		-1.6%
Projected service costs (£m)	1.63	1.57	1.51
Approximate % change in projected service cost	4.0%		-3.9%

Past retirement mortality assumption

Adjustment to mortality age rating assumption*	-1 year	Base figure	+ 1 year
Present value of total obligation (£m)	82.06	79.90	77.74
% change in present value of total obligation	2.7%		-2.7%
Projected service costs (£m)	1.63	1.57	1.51
Approximate % change in projected service cost	3.7%		-3.7%

32. POST BALANCE SHEET EVENT

At the 31st March 2024, Tai Tarian was engaged in advanced negotiations to refinance its existing loan portfolio. Completion was achieved on 1st May 2024. Tai Tarian entered into three new bilateral arrangements with new funders and the existing syndicated loan was repaid in full. The new lending provides long term funding for the existing debt and sufficient liquidity to ensure that the organisation can meet its goals for the next 5-7 years. This is a non-adjusting event and has no financial impact on the figures within this report.

