Caredig

ANNUAL REPORT AND FINANCIAL STATEMENTS

2026

YEAR AT A GLANCE

Revenue
£32.1m

Operating surplus
£8m

Homes in management
2,996

Employee engagement
77%

Compliance - Gas
99.90%

Compliance - Electrical
99.86%

New homes
75

Energy performance rating - 73.47% of homes achieve SAP 75 or above compared with 64.23% in 2024/25

WG regulatory opinion:

Governance: Compliance – Green
Financial Viability: Compliance - Yellow (May 2026)

TABLE OF CONTENT

ASSOCIATION INFORMATION

Housing for Wales Registered Number: L002

The Co-operative and Community Benefit Societies Registered Number: 21057R

Management Board		**Full Years' Service**
Kirsten Achtelstetter	Chair of Board	4 years
Max Humber	Chair of People & Customer Experience Committee	7 years
Steffan Phillips	Responsible Individual	6 years
Wiard Sterk	Chair of Development & Asset Management Committee	4 years
Christina Hirst	Senior Independent Director	2 year
Amie Chapman	Board Member	2 years
Marc Leppard	Chair of Audit & Risk Committee.	1 year
Daniel Lewis	Vice Chair of Audit & Risk Committee. Joined September 2024	1 year
Sarah Gee	Joined December 2025	<1 year
Marc Penny	Joined December 2025	<1 year
Henry Apsey	Co-optee Member - Joined December 2025	<1 year
Karen Tipple	Board Member - Stood down in December 2025	
Martin Ridgeway	Board Member - Stood down in July 2025	
Hamish Munro	Board Member - Stood down in September 2025	
Liz Downie	Board Member - Stood down in October 2025	

EXECUTIVE OFFICERS:

Marcia Sinfield - Chief Executive

Mair Pugh-Jones - Director for Finance and Governance

Stephen Evans - Director for Customers and Communities

Ian Harris - Director for Property and Assets

Gareth Davies - Director for Growth and Development

Vicky Nicholas - Assistant Director for People & Culture (until July 2025)

Ceri Wimott - Director for People & Culture (from August 2025)

Company Secretary: Mair Pugh-Jones

Registered Office:

43 Walter Road
Swansea
SA1 5PN

External Auditors:

Bevan Buckland Audit Ltd
Cardigan House
Swansea Enterprise Park
SA7 9LA

Internal Auditors:

Astari Limited
2 Alexandra Gate,
Ffordd Pengam
Cardiff
CF24 2SA

Bankers:

Barclays Bank Plc
5 Callaghan Square
Cardiff
CF10 5BT

Solicitors:

Blake Morgan Solicitors
One Central Square
Cardiff
CF10 1FS

CHAIR OF THE BOARD STATEMENT

Welcome to the 2025/26 Annual Report. I am pleased to report on another year of resilient financial and operational performance, delivered against a backdrop of continued external uncertainty and challenge.

Over the past year, we have continued to strengthen our strategic direction in delivering our Vision –"The Caredig Way – Together, we proudly create great places to live and work." Our Board and Executive remain aligned in our priorities, with a clear emphasis on communicating our Caredig Objectives effectively to tenants, staff and stakeholders. We have continued to build on our understanding of what makes Caredig distinctive as a community-based housing association and how we can use these strengths to deliver even greater impact.

We have maintained our high expectations of Board performance, and I remain proud of the way Board Members have demonstrated commitment, insight and constructive challenge, supporting the delivery of positive outcomes for tenants and service users.

As a Board, we continue to recognise the importance of diversity of thought and representation. Over the past year, we have further strengthened our collective understanding of risk and decision-making and have continued to develop our approach to succession planning, ensuring the Board reflects a broad range of lived experiences, in line with our values.

Kirsten Achtelstetter
Chair of the Board

Our People & Customer Experience Committee has continued to play a vital role in ensuring that the voices of tenants and staff are embedded in our governance. Through qualitative insight alongside performance data, the Board gains a richer understanding of how our values are lived in practice. We remain committed to fostering a culture of openness and learning, where challenge is welcomed, and continuous improvement is the norm.

Joint Board and Executive working continue to deliver important outcomes. We remain committed to ensuring our homes remain affordable, meeting Welsh Government rent policy principles and reflecting wider affordability frameworks.

Our focus on sustaining tenancies, alongside strong support services including debt and welfare advice, has helped maintain positive outcomes for tenants in an increasingly challenging economic environment.

Our 50th Anniversary year provided an opportunity to reflect on our legacy while renewing our focus on the future. The milestone provided an opportunity to celebrate our achievements with staff, tenants and partners. Together, we have been reflecting on these successes as we consider how this will shape our strategic direction in the years ahead.

Finally, I would like to thank Board Members for their continued commitment and support and welcome those who have recently joined the Board. In particular, I would like to thank the Senior Independent Director and Vice Chair, Christina Hirst, along with our Committee Chairs and Responsible Individual for Care & Support, for their leadership and dedication. The Board's collective commitment to challenge, support and stewardship remains central to Caredig's success.

I also extend my thanks to our shareholders, funders and partners for their ongoing support, and I look forward to another year of working together to deliver great outcomes for our tenants and communities.

CHIEF EXECUTIVE'S STATEMENT

As we reflect on 2025/26, it continues to be a privilege to lead Caredig through a period of sustained change, improvement and growth. This progress is only possible because of the talent, commitment and dedication of colleagues across the organisation, who consistently make a difference to the lives of our tenants and service users.

Our Vision – "The Caredig Way, together we proudly create great places to live and work" – remains at the heart of everything we do. Through our Caredig Objectives, which during 2025/26, focused on Reliability, Safety, Efficiency and Growth, we have continued to deliver aligned, outcome-driven priorities. Central to this is our ongoing commitment to ensuring we have happy, healthy staff who feel connected to our purpose and empowered to deliver excellent services.

We continue to see strong levels of engagement and understanding across the organisation, reinforcing the importance of clear communication and shared purpose.

This Annual Report highlights our robust financial and operational performance. During the year, we delivered:

- Turnover of £32m (2024/25: £29m)
- Operating surplus of £8m, supporting reinvestment in homes and services
- Strong cash balances and liquidity, ensuring continued financial resilience
- Full compliance with our loan covenants, with key metrics such as interest cover and gearing remaining within agreed limits

Marcia Sinfield
Chief Executive

These results reflect disciplined financial management alongside continued investment in existing and new homes. We have maintained a careful balance between affordability for tenants and long-term financial sustainability, in line with Welsh Government expectations and our own values.

Our operational performance in sustaining tenancies and maintaining safe, good quality, affordable homes remain positive compared to the sector, although we recognise there is always more to do to improve further. In particular, we will reflect on the outcome of the last tenant survey and focus on how we can improve overall and repairs satisfaction scores.

We have continued to invest in our homes and communities, including:

- Progressing our development programme, delivering 75 new homes during the year
- Investing £4m in major repairs and planned improvements
- Continuing our decarbonisation programme, improving the energy efficiency of our homes and helping to reduce costs for tenants

Alongside this, landlord health and safety remain a key priority, with continued focus on compliance and assurance, particularly in relation to fire safety and fitness for human habitation standards. Our thanks to our funders who, through their agreement to renegotiate our funding agreements, have supported our worked in these areas.

During 2025/26 we celebrated our 50th Anniversary and took the opportunity to reflect on our achievements while reinforcing our ambition for the future. The year provided a valuable opportunity to engage with tenants, staff and partners, celebrating our shared success and reaffirming our commitment to delivering great places to live and work.

We continue to value and strengthen our partnerships across Welsh Government, local authorities and the wider third sector. These relationships are increasingly important as we respond to the wider social and economic challenges facing our tenants and communities.

I would like to take this opportunity to thank the Executive Team, Wider Leadership Team and all colleagues across Caredig for their continued commitment and passion. A warm welcome to those who joined us during 2025/26 to strengthen our leadership capacity and support improved outcomes, stronger partnerships and a clear focus on delivery.

Finally, I would like to thank the Board, and in particular the Chair, Kirsten Achtelstetter, for their ongoing support, challenge and leadership. Together, we remain focused on ensuring Caredig continues to deliver for our tenants, communities and stakeholders now and into the future.

REPORT OF THE BOARD OF MANAGEMENT

OUR VISION & MISSION

OUR VALUES

Our behaviour demonstrates what we value – our values determine how we behave towards our customers, our colleagues, our partners and our work; our values influence the decisions we make as individuals and as an organisation.

Kind

We recognise that relationships are at the heart of everything we do & at the heart of good relationships is kindness

Trusting

We trust people to do the right thing, and through mutual trust and respect we want everyone to feel that they belong

Innovative

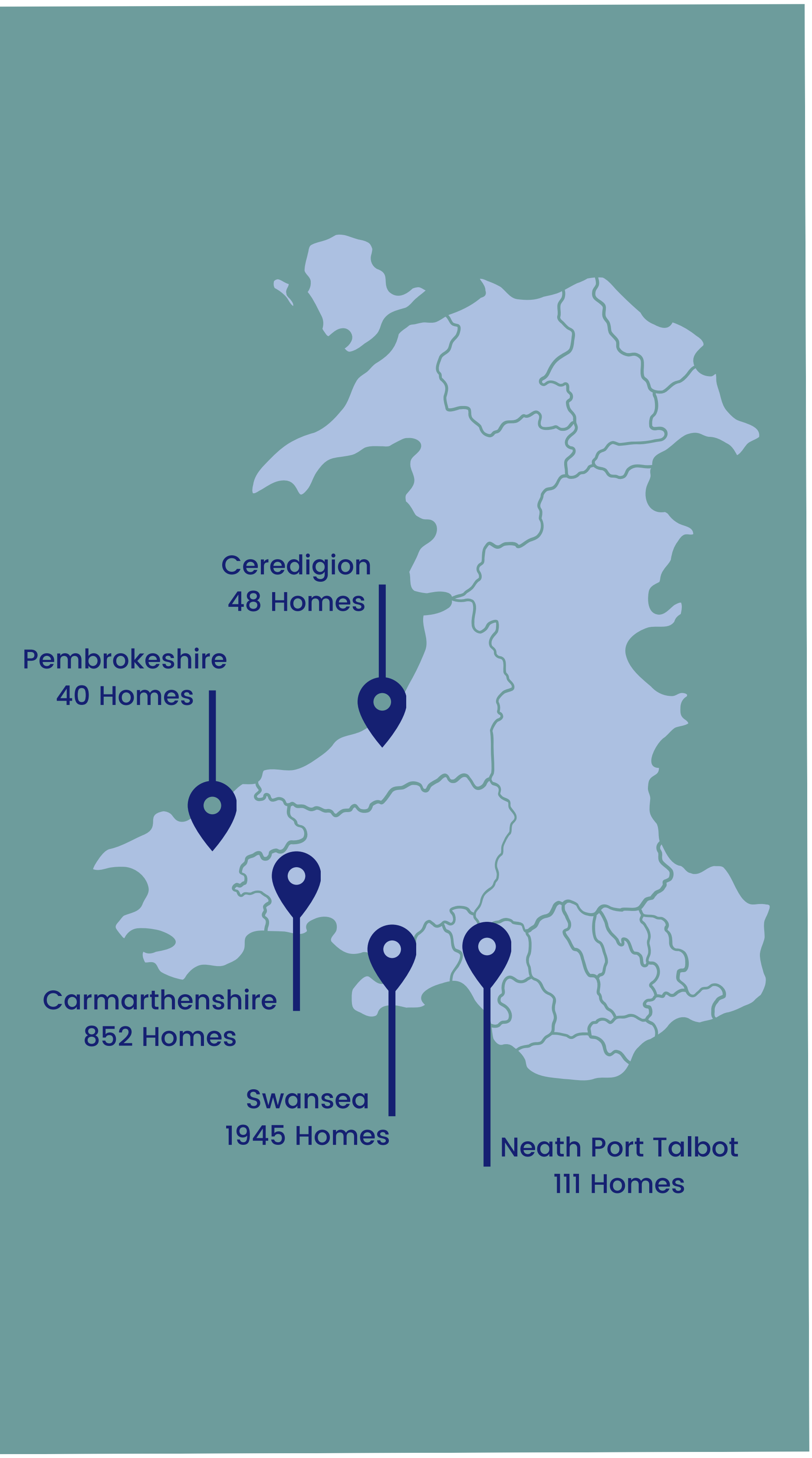
We continuously strive to be the best we can, constantly seeking creative ideas to improve and grow

Accountable

We accept the responsibility of our role and recognise the importance of being accountable for our actions

OUR HOMES

As at March 2026 the Association has just over 2,996 homes in management with the number of homes per Local Authority distributed as follows:



KEY STATISTICS ABOUT OUR SERVICES

NEW HOMES

2025/26: 75

2024/25: 25

KEEPING OUR HOMES SAFE

99.90% Gas servicing completed to time

99.86% Homes with a valid electrical certificate

100% Properties comply with Control of Asbestos Regulations

100% Planned Fire Risk Assessments had been completed

97% Repairs completed at First Visit Fix

98% Emergency Repairs completed on time

RENT ARREARS

2025/26

Gross – 4.13% (£955k)

Net – 2.81% (£601k)

2024/25

Gross – 3.79% (£875k)

Net – 2.88% (£665k)

VOID RENT LOSS

2025/26: 2.61%

2024/25: 2.30%

AVERAGE TIME TO LET A HOME

2025/26: 64.3 days

2024/25: 48.8 days

HEARING THE TENANT'S VOICE

TENANT INVOLVEMENT

Listening to and acting on tenants' views is important to us, and tenants have continued to influence the way we work in a number of ways.

The Hub has continued to meet regularly, working with staff and PACE to oversee tenant involvement. Members have contributed to a range of initiatives, including policy reviews, interviews and the procurement of new contractors.

The Hub also helped us develop a Tenant Insight & Involvement Strategy 2024-27 to increase opportunities for tenants to get involved, to influence the way we work and the strategic direction of the Association.

Our expanded digital offer, including the Have Your Say page on our website and the Caredig tenant Facebook page, has made it easier for tenants to comment on and review documents at a time that suits them. More than 280 tenants regularly engage with us through these platforms.

The Caredig Reviewers are a group of tenants who inspect our services, challenge how we work, and make recommendations for improvement. In 2025/26, they played a key role in researching, designing and shaping our Service Standards which launched in September 2025, making sure we stay accountable to the people who matter most - tenants and residents.

During the year, we increased the number of Rent and Service Charge Roadshows for Extra Care and 50+ Communities. We worked with tenants to improve how we explain rent and service charge increases, including developing an annual newsletter and scheme-specific leaflets. These materials set out the reasons for the changes, how decisions were made and what they mean for tenants. Feedback has been overwhelmingly positive, and this approach helped improve the STAR survey score for value for money relating to rent, **rising from 73% in 2024 to 79%** in December 2025.

Focus groups at all our Extra Care schemes continue to improve communication and compliment the wide range of activities taking place in the schemes including installing Optimised Retrofit Programme (ORP) funded solar PV panels and retrofitting of sprinkler systems.

Our Care & Support teams linked residents with volunteer opportunities in Llys Nini RSPCA and successfully applied for grants with the Keep Wales Tidy campaign.

At a local level, we introduced incentives to encourage tenant participation, resulting in a **50% increase** in attendance at local Focus Groups. In response to strong tenant feedback that Caredig teams should be more visible, we held **18 Estate Walkabouts** with tenants in their communities. These formed part of more than **93 tenant** and community events, **attended by over 1,180 tenants and residents**, including “Beat the Bills” sessions and “Love Where You Live” campaigns.

Tenants also provided valuable insight into recruitment for key roles across the organisation, including the Director for Customers, Support & Improvement and Head of Property Services.

WELLBEING AND SUPPORT

HOUSING, CARE & SUPPORT SERVICES

Our housing, care and support services have continued to take a person centred, supportive approach to working with tenants in response to a continued increase in demand, particularly related to the increased cost of living and impact of deteriorating health and wellbeing amongst the communities we work with. This year, this included working closely with Safeguarding and local Policing teams to target additional wellbeing support within our communities.

DECHRAU

Dechrau, our wellbeing project funded by the West Glamorgan Regional Partnership, supported over 240 tenants in 2025/26 to improve their health and wellbeing. **More than 95%** of people supported said they felt more positive about the future and had improved mental wellbeing as a result of working with the team.

FLOATING SUPPORT SERVICES

We also provide tenancy related wellbeing and support to tenants across South West Wales through our Housing Support Grant funded floating support services to **over 625 individuals.** These provide a more intensive service, working with tenants who need additional support to succeed in their tenancy.

SPECIALIST CARE

We deliver both temporary and long-term specialist care and **support services to over 100 people** living in supported housing in Neath Port Talbot and Swansea. We work closely with local authorities and Health Boards to deliver psychologically informed support, that empowers people with a range of support needs to be confident and independent.

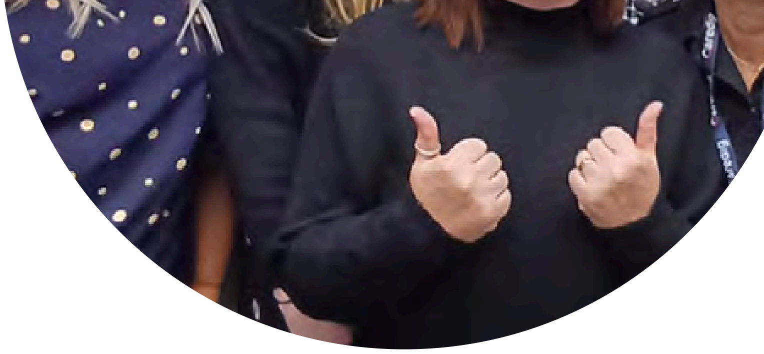
SUCCESFUL TENDERING

In 2025/26, we were also successful in tendering for two contracts:

- Ceredigion - Housing Support & Community Well-being at Maes Mwldan Extra Care
- Swansea Council Framework Agreement for the Provision of Tenancy Based Care and Support (Supported Living) for People with Mental Health Need

We recognise that many of our service users have experienced Ace's and Trauma and ensure all our staff are trained to work with those people. We embedded TrACE in 2020 and continue to work alongside Public Health Wales to create a Toolkit and Action Plan to embed and develop our practices in line with these principles through our 360-degree support model.

CUSTOMER SERVICE



In 2025/26, we launched a new partnership with Acuity Research and Practice who will now be carrying out the STAR tenant survey every year, instead of every two years. This means we can listen to tenants' views more often and ensure a wider focus to continue to improve services and increase trust tenants feel towards us.

Whilst there were several areas of improvement between 2023/24 and the 2025/26 STAR survey results, overall satisfaction fell from **78% to 73% (5% reduction)**

In summary areas where scores reduced include:

Overall Satisfaction **fell from 78% to 73%** (5% reduction)

Overall Repairs satisfaction **reduced from 73% to 70%** (3% reduction)

Trust in Caredig **dropped from 68% to 65%** (3% reduction)

In summary areas where scores increased include:

Value for money relating to Rent (not service charges) increased from 73% to 79% (6% increase)

Involvement in decision making **rose from 56% to 58%** (2% increase)

Having a say in how services are managed **up from 59% to 62%** (3% increase)

The Neighbourhood as a place to live **increased from 80% to 82%** (2% increase)

Caredig's Approach to ASB **increased from 60% to 63%** (3% increase)

Satisfaction with Quality of home **rose from 80% to 83%** (3% increase)

This year, we continued to use data and feedback from staff and tenants to improve how the Housing Services team handles incoming calls and provides support at the first point of contact. In 2025/26, the team:

Recived over 28,400 phone calls, equivalent to more than 2,300 calls each month

Responded to over 7,150 emails

Answered 83% of received calls, compared with 81% in 2024/25

Reduced average call waiting times to 2 minutes 34 seconds

Reduced tenant call-back times from 53 minutes to 17 minutes

In 2024/25 an internal audit reviewed our approach to Anti-Social Behaviour, and following a series of improvements including a new Anti-Social Behaviour & Community Safety Policy, we were awarded Substantial Assurance in February 2025, this approach has further increased tenant satisfaction in the 2025/26 STAR Survey, satisfaction in this area **increased by 3 percentage points to 63%.**

In 2025/26, the Services Complaints Steering Group recognised that lasting improvement in complaint handling depends on having strong foundations in place. Using learning and feedback, the group prioritised a clear control framework and targeted training. This led to a new Concerns and Complaints Policy and Procedure, co-designed with the Complaints Standards Authority and delivered to key staff across Caredig. As a result, the average time to resolve complaints **improved from 34 days in July 2025 to 17 days in March 2026**.

INCOME MANAGEMENT AND MONEY ADVICE

The increased cost of living has made it harder for many tenants to manage rising household costs. We have continued to provide support, advice and practical assistance to help tenants pay rent and other charges. Although gross arrears have risen slightly, our support-first approach has helped prevent formal action in most cases and our net arrears remain stable. However, in 2025/26, rent arrears were the main contributing factor in four cases where tenancies could not ultimately be sustained, resulting in eviction.

Our approach has been supplemented by targeted events, through initiatives such as 'Beat the bills' and helping tenants claim additional funds such as Making Ends Meet grants, Homeless Prevention grants, Discretionary Assistance Fund and Discretionary Housing Payments.

In 2025/26, our Income and Inclusion Team

Supported 59 tenants to access and benefit from the Caredig funded hardship fund, a total of £20,000 was used to tackle food poverty, fuel poverty, buy items for cooking.

Supported:

- **47 tenants to access Discretionary Assistance Funds (DAFS) for items such as white goods and furniture**
- **63 tenants to access Cwtch Mawr and receive packages to help with essential household items**
- **100 Households benefited from supermarket vouchers to help tackle food poverty**

26 households benefited from our Homes not Houses initiative; the initiative specifically tackles issues such as flooring and furniture poverty and a total of £8,000 was invested into making properties homes.

The feedback from tenants is extremely positive and has a huge impact on their lives and we continue to perform well compared to others in the sector.

RENT AFFORDABILITY

We worked closely with tenants and Board Members to review our Rent Policy, ensuring a clear approach to rent and service charge setting that balances the needs of the business and those of tenants. The policy confirms our continued commitment to five key principles:

As a result of our focus on affordability over recent years we were pleased to confirm that 100% of our homes meet our target whereby rents plus service charge should not exceed 33% of average local incomes (28% where it is rent only as no service charge).

INVESTING IN OUR HOMES

We want to provide homes and communities that people want to live in; be a landlord of choice. Hearing what makes a house a home for tenants is key to us.

During 2025/26 we spent £1.71m on improving tenants' homes, which included the installation of:

- **54** New kitchens
- **45** New bathrooms/ wet rooms
- **74** New boilers
- **124** New windows installed
- **108** Doors were installed
- **112** Fire doors were installed
- **8** Homes were rewired
- **47** Homes received replacemnet fencing
- **11** Roofs were replaced
- **2** Properties and 1 three storey communal block had Electric heating installed

We also spent a total of **£317k on adapting homes** to meet tenants' personal needs.

We secured £2.3m of Welsh Government Optimised Retrofit Programme funding and installed Solar PV, Solar Hot water and Heat metering to 74 homes, Solar PV to 98 homes and Solar material purchase for 165 homes to be installed during 2026/27.

The organisation continues to work towards the WHQS 2023 standard to achieve Welsh Government's energy target of mid-point **EPC C on all our homes by 2030**. Target Energy Pathways developed for all properties identify the decarbonisation works and level of funding required to attain SAP75 by 2030.

We work with specialist Fire safety consultants to develop a risk-based approach to deliver Fire safety works on properties identified as requiring Fire Safety remedial actions.

VALUE FOR MONEY

Whilst inflation has gradually reduced, the importance of delivering Value for Money remains challenging and more than ever and it continues to be fundamental to our mission of building great homes and communities.

Value for Money is embedded in all our processes, ensuring our approach is strategic, comprehensive and aligned to our strategic objectives.

OUR VALUE FOR MONEY PRINCIPLES ARE:

Economy ››› Achieving the best value from our inputs, that is, when items were bought did we get them for the best possible value?

Efficiency ››› Maximising the outputs for a given level of inputs, that is, how good are we at creating the output?

Effectiveness ››› Ensuring the outputs deliver the desired outcome, that is, was what we delivered at the correct standard, and did it achieve the desired outcome?

Equity ››› Ensuring the distribution of resources is equitable, that is, are our services and resources being shared fairly across all residents and service users?

We listen to what residents want and are innovative in how we provide services; saving time and money wherever possible without compromising service delivery.

We are continuing to invest in a new repairs software system TM (Total Mobile) to improve the customer experience and improve value for money by:

- Allowing more appointments at first point of contact,
- Keeping customers informed of progress of their jobs through text messages and emails at different stages,
- Dynamic scheduling of trades staff to minimise trade staff travel time and maximise time on site,
- Integrating van stock management to get the right person to the right job at the right time with the right materials.

Achieving value for money means we can provide affordable, safe, secure and sustainable homes to those who need them, create communities where people want to live and a range of programmes to help improve resident life chances through employment and better health and wellbeing.

OUR PEOPLE

We have maintained a focus on staff engagement, inclusion and wellbeing to support a positive, person-centred culture. Work plays an important part in people's lives, and we aim to ensure Caredig is a supportive and fulfilling place to work. We have continued to develop our workforce planning approach to support organisational and people development.

During the year we have continued to embed our organisational values and associated behaviours across key people processes and policies. This supports delivery of our objectives, with Happy, Healthy Staff at its core, and is monitored through regular performance reporting and staff engagement surveys.

We undertake six-monthly staff engagement surveys to understand how people feel and identify areas for improvement. While the latest results are reported in April 2026, they largely reflect colleagues' experience and engagement during the 2025/26 financial year.

- Overall engagement 77% (up from Sept 25, 73%)
- Wellbeing 82%, with "Caredig cares about my wellbeing" at 77%
- Diversity and Inclusion 83%
- Leadership 72%, reflecting improved communication and visibility

We remain focused on recognising and addressing areas requiring further improvement, including communication across teams.

Staff growth and development remain a priority to support retention and succession planning. During the year we:

20

Delivered 20 internal promotions and progression opportunities

17

Supported 17 employees to achieve professional and vocational qualifications

We continue to review our training provision to ensure staff have the skills and knowledge required to meet current and future needs, including both compliance and customer-facing skills.

We remain committed to paying fair and competitive wages, with a targeted approach to support colleagues in lower-paid roles.

EQUALITY, DIVERSITY & INCLUSION

We monitor delivery of our Equality, Diversity and Inclusion Strategy through a focused action plan aligned to our strategic aims. This includes promoting inclusion, ensuring representation, meeting legal obligations and tackling discrimination.

Survey results show that **83% of staff feel positive about diversity and inclusion at Caredig**, reflecting steady progress.

We continue to strengthen our approach through improved use of data, active engagement with our EDI Working Group and participation in sector initiatives, including Tai Pawb's "Deeds not Words" pledge and the Welsh Government Anti-Racism Wales Action Plan.

HEALTH AND SAFETY

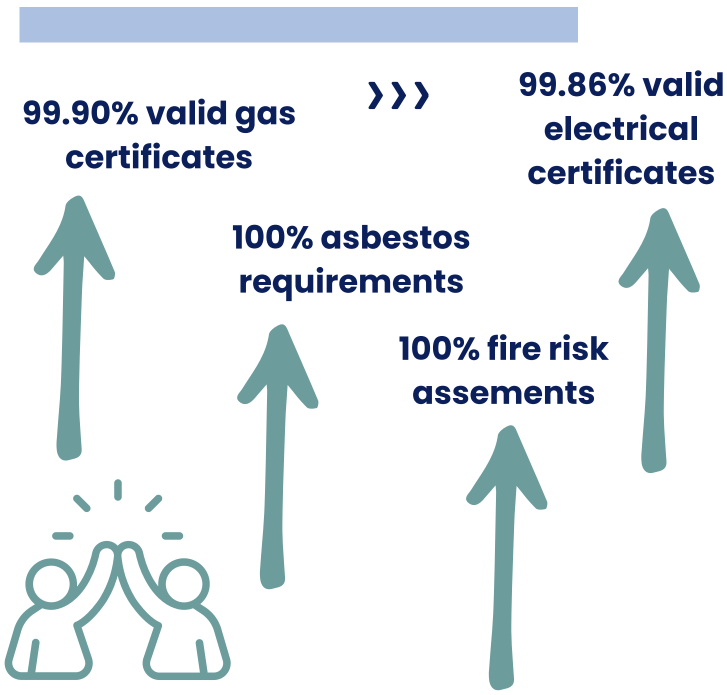
We are committed to providing safe, healthy and sustainable homes and workplaces for tenants, service users, colleagues, contractors and visitors. This commitment is underpinned by the Health and Safety at Work Act 1974, landlord health and safety duties, the Renting Homes (Wales) Act 2016 and the Fitness for Human Habitation requirements, as well as our wider regulatory responsibilities as a Welsh social landlord.

During 2025/26, health and safety continued to be central to our Caredig Objectives, particularly our focus on being Safe. The Board, Audit and Risk Committee, Executive Team and managers each have clearly defined roles in overseeing compliance, risk management and assurance. This provides a strong framework for leadership, accountability and constructive challenge, ensuring that health and safety is considered in strategic decisions, operational delivery and day-to-day service management.

We continued to monitor compliance across key areas including gas, electrical safety, fire safety, asbestos, water hygiene and property condition. Performance remained strong, with 99.90% of homes holding a valid gas certificate, 99.86% holding a valid electrical certificate, 100% compliance with asbestos requirements and 100% of planned fire risk assessments completed. These results provide assurance that our core landlord compliance controls are working effectively while also identifying where further improvement and investment are needed.

The introduction of WHQS 2023 from April 2024 has reinforced the importance of maintaining homes that are safe, secure, in good repair, affordable to heat and able to support tenants' wellbeing. In 2025/26 we continued to align our investment, compliance and asset management programmes with these expectations, including work on fire safety, decarbonisation, energy performance and the management of damp, mould and other hazards.

We strengthened our health and safety culture by making it easier for colleagues to report accidents, incidents and near misses online, access risk assessments, policies and guidance, and complete relevant training. Feedback from staff engagement surveys continues to inform how we improve safety, wellbeing and communication across teams. Internal health and safety managers, internal audit and external specialists provide further assurance, with findings reported through our governance framework.



DATA AND CYBER SECURITY

The cyber and security investment and work undertaken over the previous few years was tested the week after we achieved Cyber Essentials + accreditation with a ransomware attack on the business. Whilst a significant business continuity event the disruption did not have a material impact of the day to day running of the business and online critical systems were back up and running within 2 weeks having been restored from immutable back ups

Improvements and lessons learnt from the attack have been incorporated into work plans and the move to a fully cloud based infrastructure and upgraded network firewalls, which was underway at the time of the attack, were completed in June 2025.

DEVELOPMENT PROGRAMME

Caredig continues to seek opportunities to provide affordable housing across its areas of operation in Swansea, Neath Port Talbot and Carmarthenshire. Whilst the development market presents ongoing challenges, Caredig has, over the last 12 months, delivered much-needed new homes, reinforcing its commitment to providing housing for those in need.

During 2025/26, we delivered 75 new homes across Swansea, Neath Port Talbot and Carmarthenshire. We currently have 166 new homes under development across 10 sites in Carmarthenshire, the City and County of Swansea, and Neath Port Talbot. These schemes are being delivered through a combination of funding streams, including the Social Housing Grant (SHG) programme, the Transitional Accommodation Capital Programme (TACP), the Housing Care Fund (HCF), and through the planning system via Section 106 agreements. These homes are expected to be handed over in the next 12–24 months.

Caredig continues to be successful in securing Transitional Accommodation Capital Programme (TACP) funding from Welsh Government to help address the homelessness crisis in Wales. As part of the current programme, 25 homes are being refurbished and are due to be handed over during 2026/27. In addition, a further programme of acquisitions is being progressed for delivery over the coming 12 months.

The Development Strategy, approved by Board in November 2025, will be implemented during the coming financial year. This provides a clear framework to underpin Caredig’s commitment to delivering high-quality homes in the right locations, responding to the increasing needs of our communities.

We will continue to work in partnership with our key local authority partners and other stakeholders to deliver against our development programme targets, supporting wider efforts to address the housing crisis in Wales. Providing homes that enable tenants to flourish remains a key priority, guided by principles of excellent design and a focus on delivering homes that people are proud to live in and that are affordable to run.

CORPORATE GOVERNACE REPORT

BOARD OF MANAGEMENT

The Board of Management and Executive Officers are listed on page 4. The Board currently comprises eleven non-executive members, including one co-opted member. The Board is responsible for the Association's overall strategy and policy framework and ensuring that there is an established and maintained system of internal controls for reviewing their effectiveness.

It delegates the day to day management and implementation of that framework to the Chief Executive and other senior executives and managers (the Leadership Team). The Leadership Team has regular meetings during the year and attend the Board of Management meetings.

The Association has an open policy for members of Board of Management on holding its £1 shares. Each member of the Board of Management of the Association holds a £1 share.

Board Members are drawn from a wide background bringing together professional, commercial and local experience together with tenant representatives. The Board met regularly during 2025/26 and was supported by an Audit and Risk Committee, a People and Customer Experience Committee and an Asset Management and Development Committee.

GOVERNANCE AND COMPLIANCE

Welsh Government, our Regulators, in May 2026 gave us the regulatory grading of Compliant Green for Governance (including tenant services) and Compliant Yellow for Financial Viability. This demonstrates that we have continued to maintain governance, service delivery and financial viability to the highest levels. We maintained our co-regulatory relationship.

The Board has adopted and complies with the Community Housing Cymru Code of Governance issued in 2021. The CHC code of governance is designed to support good governance and continuous improvement within housing associations in Wales, with emphasis being given to promoting equality, diversity, and inclusion and to taking a proactive approach to tackling discrimination and focus on culture and values.

The Board are expected to contribute to a culture of honest and open debate, to ensure optimal and effective decision making.

The Board's structure is supported by committees and task and finish groups, which in 2025/26 included:

- Audit and Risk Committee
- Development and Asset Management Committee
- People and Customer Experience Committee
- Treasury Task and Finish Group
- Development Strategy Task and Finish Group
- Rents and Service Charges Task and Finish Group

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

The Board ensures that it can govern effectively by having a clear approach to recruitment, induction, training and appraisal as set out below:

Recruitment, Induction and Training – In the last 12 months, we carried out a successful board member recruitment. Board Member recruitment focuses on ensuring the Association has the right skills, abilities and diversity to lead the organisation to deliver its Business Plan and organisational objectives and to lead and oversee our change programme. The recruitment process is open, using a variety of media. Board delegates responsibility for shortlisting and interview to a sub-group of Board Members, and applicants are invited to apply, and shortlisting is undertaken against the criteria set in the role specification.

Evaluation and appraisal – The Board is committed to robust governance and ensuring it has the skills required to address the areas of improvement and manage the organisation in the future. The Board is very aware of the benefits of evaluation, appraisal and is committed to continuous learning and development.

Remuneration – Board Members are remunerated for their services, salaries are in line with the sector.

Governance effectiveness – As part of Caredig's ongoing Co-regulatory approach to governance, the Board has built on the findings of the Governance Effectiveness Review undertaken by Campbell Tickell in March 2023.

The review identified three main areas of focus, which have been completed:

- Creating space for the Board to work in the generative mode – a six-monthly strategy away days
- A further strengthening of customer insight and influence, and equality, diversity and inclusion by the embedding of the People and Customer Experience Committee, together with a review of the terms of reference for each committee following feedback from Board members.
- Board composition, skills and development – introduction of the Vice Chair of Audit & Risk Committee role.

The addition of the Senior Independent Director during the prior year has further supported the completion of findings of the Governance Effectiveness Review.

Reporting to and from the Board

Each Committee meets throughout the year to discharge their duties and responsibilities under their respective agreed terms of reference. The Committees ensure effective communication exists between Committees and Board.

In addition to the formal minutes of every Committee meeting the Board receives updatesfrom each Committee Chair.

In addition, the Board and Committees receive regular reports from the executive management team on all matters, including service delivery, performance and governance. These reports are explicitly linked to tenants' outcomes, both current and future, strategic risks, governance and finances.

Audit and Risk Committee

The Audit and Risk Committee met four times during 2025/26. The role of the Committee is to advise, support and make recommendations to Board on matters of risk and risk strategy, financial stewardship and accountability, statutory and legal compliance (including Health and Safety), control and governance and both the appointment and work of internal and external audit.

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

- Internal audit reviews and compliance reports based on an agreed annual plan from the Committee, reviewed and linked against our strategic risk and assurance register, key performance indicators and financial business plan
- External audits management letters and reports

The internal and external audit contracts continued in 2025/26 with Astari providing internal audit services and Bevan Buckland providing external audit services. During the year, Audit and Risk Committee, continued to review the effectiveness of these contracts to ensure optimal and appropriate outcomes for Caredig.

Internal and external audits follow a plan of work agreed annually by the Committee.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledge their ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments in which it operates. The Board has in place a formalised framework for:

a) the identification, review and management of risk;
b) the safeguarding of the health and safety of tenants and staff of risk;
c) the reliability of financial information used within the Association or for publication;
d) the maintenance of proper accounting records; and
e) the safeguarding of assets against unauthorised use or disposition

KEY ELEMENTS OF THE SYSTEM OF INTERNAL CONTROL

The Board is responsible for the Association's system of internal financial controls which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information. The Board has reviewed the effectiveness of the system of internal controls for the period from 1 April 2025 to 31 March 2026.

The key features of our system of internal control include:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Group's assets.
- Comprehensive system of relevant and reliable financial reporting, including annual budgets, quarterly management accounts and forecasts, to report actual performance against budget and to highlight variances and investigate as appropriate. This allows the Board and management to adopt a "forward controlling" ethos and monitor the key business risks and financial objectives, and progress towards financial plans set for the year, the medium and longer term.
- Policies and procedures are in place that cover the prevention, detection and reporting of fraud, including cyber fraud and the recovery of assets. There has been one incident of identified fraudulent activity during the year, resulting in an immaterial financial loss for the Association.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through relevant committees comprising Board members and others.

- Monitoring of the internal financial controls and procedures by the Association's internal auditor and (for the year-end) by the external auditors. These reports are reviewed by Audit and Risk Committee and the Board of Management.

The Board receives regular reports detailing financial trends, treasury risks, covenant compliance and development programme status.

RISK

The Board is committed to the management of risk in order to achieve the vision and goals of the organisation, and to remain a viable and sustainable business. The Welsh Government, as regulator of the housing association sector, has increased its focus on the management of risk, expecting housing associations and particularly their Boards to fully understand the business and financial risk environment in which they operate and to be confident that these risks are effectively managed.

Caredig's Strategic Risk & Assurance Register allows risks to be mapped, control measures identified and managed using the three lines of assurance model and responsibility allocated. The three lines of assurance model is designed to ensure the effective and transparent management of risk by making accountability clear: the first line identifies all controls in place to manage the risk, the second line of assurance provides internal assurance, while third line provides any external assurance in place. The register is presented to Audit and Risk Committee on a quarterly basis, with a report monitoring whether the risk profile has changed and to provide assurance that risk is being managed effectively across the organisation and reflecting the agreed risk appetite. Given the ongoing current economic uncertainty, Committee are reviewing the risk appetite regularly.

The quarterly review allows for the discussion and challenge of strategic risks and the levels of assurances the Board have identified for those risks and also identifying new and emerging risks that have not yet appeared on the risk register.

During the year, a challenging review of the register was undertaken with the primary purpose of capturing the direction of travel of residual risks and mapping the journey and actions required to meet the target risk score identified. Of the 16 strategic risks identified, 3 remain defined as being residual red risks as shown below:

Risk Strategic and Assurance Register		Inherent Risk			Residual risk			Target risk		
Code	Risk	Impact	Likelihood	Total	Impact	Likelihood	Total	Impact	Likelihood	Total
SR5	An IT security breach prevents us from delivering essential services and/or impacts the availability, confidentiality and integrity of data we hold	5	5	25	4	4	16	3	4	12
SR10	Our approach to fire safety does not meet relevant regulations and good practice	5	4	20	5	3	15	4	3	12
SR12	We do not effectively, or securely, manage data	4	5	20	4	5	20	2	4	8

The introduction of a deep dive programme for each risk has further strengthened the risk process giving committee members the opportunity to understand a risk in more detail, to get a more in-depth view of the causes and consequence, and to add their perspective, providing an opportunity to highlight any areas that may have been missed and test the thinking and assumptions and ultimately how the risk is managed.

Significant focus on improving our approach to cyber security in response to the increasing prevalence and sophistication of cyber attack has been a key area of focus, with the emphasis on data integrity and robustness of reporting.

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. The Board is therefore able to confirm that there is a robust and ongoing process for identifying, evaluating and managing significant risks faced by Caredig.

FINANCIAL PERFORMANCE

For the year ended 31 March	2026	2025	Restated 2024	Restated 2023	2022
	£'000	£'000	£'000	£'000	£'000
Statement of Comprehensive Income					
Total Turnover	32,125	29,495	29,210	25,655	22,976
Operating Surplus	8,063	6,458	7,437	3,977	4,803
Surplus after tax	3,588	1,969	3,162	(374)	866
Surplus / (Deficit) for the tax year transferred to reserve	3,729	2,055	2,182	(986)	2,540

For the year ended 31 March	2026	2025	Restated 2024	Restated 2023	2022
Properties owned and Managed	2,923	2,854	2,860	2,832	2,817
Properties owned Managed by Other	73	67	69	69	70
	2,996	2,921	2,929	2,901	2,887
Operating Surplus as % of Turnover	25.1%	21.9%	25.5%	15.5%	20.9%
Rent Losses (void and bad debts as % of rent and service charges receivable)	3.1%	3.0%	2.6%	2.5%	2.3%
Rent Arrears (gross arrears as % of rent and services charges Receivable)	5.8%	5.2%	4.3%	4.6%	4.3%
Rent Arrears (gross arrears (adjusted for Bad Debt Provision) as % of rent and services charges Receivable)	3.1%	3.2%	2.3%	3.0%	2.9%
Liquidity (Current assets divided by current liabilities)	0.63	0.70	1.09	0.94	0.43
EBITDA - MRI interest cover	128%	129%	128%	133%	138%
Gearing - Historic Property Cost	40%	40%	42%	41%	42%

Turnover has increased by £2,630k (8.92%) compared to previous year, driven by the £2.2m S106 implied grants. The remaining increase was driven by increase in rents as set out by Welsh Government rent policy and additional Care & Support grants.

Void loss was 2.42% (2025: 1.96%). Void management remains a priority for continued improvement.

During the year the Association's management costs increased by £760k driven by an increase in technology, care & support and insurance costs. Total operating costs increased by £928k of which £271k was from void repairs.

The increase in turnover led to the Association's operating surplus increasing to 25.1% of turnover (2025: 21.9%).

Interest payable on borrowings was £4.6m (2025: £4.7m).

As at 31st March 2026, cash and cash equivalents totalled £4.5m (2025: £8.0m). Our debt ratio is now 10% variable and 90% fixed interest rates.

Our covenants, in respect of interest cover, asset cover and debt per unit were all met.

As part of our annual corporate planning process, we have set our 2026/27 Budget and prepared the 30 year Business Plan. The Medium Term Financial Plan identifies that we will continue to increase our debt as we realise our ambition of delivering affordable sustainable new homes, whilst at the same time ensuring that we continue to improve our existing housing assets as part of our WHQS 2 work and ongoing commitment to asset improvement.

ENVIRONMENT, SOCIAL AND GOVERNANCE

We remain committed to the best environment, social and governance (ESG) practice both in the way we operate now and how we aspire to operate in the future. ESG reporting has undergone standardisation following the White Paper 'UK Social Housing: Building a Sector Standard Approach for ESG Reporting'.

We have produced our annual ESG report, which recognises the importance of ESG reporting both to Caredig, its tenants and stakeholders. It gives a detailed update of our performance against each of the named categories. This report can be accessed on the Publication page of our website.

LOOKING AHEAD

Our Caredig Objectives

Following the development of our Vision, "Together we proudly create Great Places to live and work", we have set out our Strategic Direction Statement and updated our 4 key Caredig Objectives for 2026/27:

1. Reliable

We are focused on ensuring that tenants can easily access reliable, high-quality services that meet their needs and expectations. Our key priorities include completing repairs when promised, responding promptly to anti-social behaviour, maintaining strong customer access to services, and improving overall satisfaction with our services.

2.Safe

Keeping staff, residents and people who live, work and visit homes and workplaces safe is fundamental to everything we do.

We work in line with a range of requirements set out in regulations and legislation and in doing so maintain very high levels of compliance with gas, electrical and landlord safety requirements. We also focus on safe working practices and corporate health and safety with a comprehensive array of measures in place to manage and monitor the way we manage risk.

Over the next 12 months we will significantly increase our investment in fire safety measures. We will also invest in improvements to the way we manage and report against the requirements of WHQS Element 1c relating to the Housing Health and Safety rating system, along with the Fitness for Human Habitation Requirements set out in the Renting Homes (Wales) Act.

In relation to new developments, we will also continue to improve our management of on-site safety in accordance with legislative requirements

These actions will align with wider improvements we are making to systems and reporting to provide additional assurance to residents, regulators and funders.

3.Efficient

We are strengthening the way we collect, manage and use data and improving our use of digital systems and insight to improve performance and deliver better outcomes. By modernising processes, improving how we manage information, and focusing on value for money, we are becoming a more effective organisation. This supports strong financial performance while ensuring that resources are directed to where they have the greatest impact for tenants.

Furthermore, as an ambitious organisation wanting to grow, we have invested in our development programme and continue to seek new opportunities to meet our strategic target of 90 homes per annum. In delivering new homes, we want to ensure that they meet the highest quality standards and provide a home that is comfortable and affordable to run for tenants.

4.People First

Our people are central to our success. We are committed to creating a supportive and inclusive workplace where staff feel valued, engaged and able to perform at their best. By focusing on wellbeing, leadership and engagement, we aim to ensure that our teams are motivated to deliver excellent services and continuously improve outcomes for our residents and communities.

Priorities in 2026/27

Caredig is committed to reviewing its service provision and redesigning it to ensure that we are fit for the future. So at the same time we deliver these key Caredig objectives, we will also be focussing on:

- Delivering affordable, safe, secure and sustainable homes.
- Reviewing our Sustainability Strategy to ensure its principles are rooted throughout the organisation and action is taken to meet the targets to reduce our carbon footprint.
- Transforming our use of technology and embracing innovation to deliver performance improvements, including the increased deployment of TotalMobile to increase the efficiency of our repairs service and to continue to drive improvements in customer satisfaction results.
- Collaborating with other Housing Associations and Health Boards to meet the evolving needs of tenants and developing our network with local authorities and Welsh Government, especially with regard to securing support revenue income linked to specific new developments.
- Continuing to delivering Value for Money for all tenants and service users.
- Continuing to meet all requirements of Renting Homes Wales Act 2016
- Improving transparency of reporting, segmental analysis and effectively communicate our performance and how well we are doing by benchmarking against other similar organisations.

STATEMENT OF BOARD RESPONSIBILITIES

The Board are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Co-operative and Community Benefit Societies Act and Registered Social Landlord legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period.

In preparing those financial statements, the Board is required to:

- select suitable accounting policies, as described on pages 49 to 59 and apply them on a consistent basis;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in these financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board are responsible for keeping proper accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, The Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015, and the Statement of Recommended Practice for Registered Social Housing Providers issued in 2014 and updated in 2018.

The Board are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board, the Audit and Risk Committee has reviewed the effectiveness of the system of internal financial control in existence for the year ended 31 March 2026. Based on the audit work carried out during the year, no weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditors' report on the financial statements.

In so far as the Board of Management is aware:

- There is no relevant audit information of which the Association's auditors are unaware;
- The Board have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

At the July 2025 AGM, shareholders of Caredig Limited voted in favour to the appointment of Bevan Buckland Audit Ltd Chartered accountants to carry out statutory financial audit. This is the third year of a three year term.

By order of the Board

Kirsten Achtelstetter
Chair of the Board

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAREDIG LIMITED REGISTERED UNDER THE CO-OPERERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014

Year ended 31st March 2026

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31st March 2026 and of the association'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 association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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

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

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

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

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

Responsibilities of the board
As explained more fully in the Statement of Responsibilities of the Board (set out on page 37-38), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud
We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
We discussed our audit independence complying with the Revised Ethical Standard 2024 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

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

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
    - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas;
    - Purchasing in relation to the development and maintenance programmes, including any sales to connected individuals at below market value;
    - The recognition of development and maintenance expenditure in the correct period; The rationale of any major fund flows during the period;
    - The potential of rent fraud arising as a result of collusion between the asset and housing teams.
- obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Association, the key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

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

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

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

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

Use of our report

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

Bevan Buckland Audit Ltd (Statutory Auditor)
Chartered Accountants & Statutory Auditors
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Bevan Buckland

Date: 30th July 2026

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

In addition to our audit on the financial statements for the year ended 31 March 2026, we have reviewed the Board's statement of Caredig Housing Association ("the Association") compliance with the Welsh Government Circular 02/10, Internal Financial Control and Financial Reporting ("the Circular").

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

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

Opinion

With respect to the Board's statement on internal controls assurance on pages 22 and 23, in our opinion the Board of Management has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work on the financial statements.

Bevan Buckland Audit Ltd (Statutory Auditor)
Chartered Accountants & Statutory Auditors
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Bevan Buckland

Date: 30th July 2026

Statement of Comprehensive Income
for the year ended 31st March 2026

	Notes	2026 £'000	2025 £'000
Turnover	2	**32,125**	29,495
Operating expenditure	2	**(24,062)**	(23,037)
Operating Surplus	5	**8,063**	6,458
Surplus / (deficit) on sale of fixed assets	6	**-**	(195)
Interest receivable and other income	7	**154**	385
Interest payable and similar charges	8	**(4,629)**	(4,679)
Surplus before tax		**3,588**	1,969
Taxation		**-**	-
Surplus after tax		**3,588**	1,969
Actuarial gains in respect of pension schemes	16	**141**	86
Total comprehensive income for the year		**3,729**	2,055

The accompanying notes form part of these financial statements.

Historical cost surpluses and deficits were identical to those shown in the income and expenditure account.

The financial statements were approved by the Board of Directors on July 30th 2026, and signed on its behalf by:

K Achtelstetter	M Leppard	Mair Pugh-Jones
(Chair - Board)	(Chair Audit & Risk)	(Company Secretary)

Statement of Changes in Reserves
for the year ended 31st March 2026

	Note	Total reserves £'000
Balance at 1 April 2024		**5,852**
Gain after tax from statement of comprehensive income		1,969
Actuarial gains in respect of pension schemes		86
Total comprehensive income for the year		2,055
Balance at 1 April 2025		**7,907**
Gain after tax from statement of comprehensive income		3,588
Actuarial gains in respect of pension schemes		141
Total comprehensive income for the year		3,729
Balance at 31 March 2026		**11,636**

Statement of Financial Position
at 31 March 2026

	Notes	2026 £'000	2025 £'000
Tangible fixed assets			
Housing land and buildings - gross cost	9	**289,757**	272,004
- depreciation	9	**(43,213)**	(40,426)
		246,544	231,578
Other fixed assets	10	**2,753**	2,986
Total Fixed Assets		**249,297**	234,564
Current assets			
Stock	11	**51**	26
Trade and other debtors: amounts falling due within one year	12	**6,155**	4,008
Cash and cash equivalents		**4,477**	7,953
		10,683	11,987
Trade and other debtors: amounts falling due after more than one year	13	**3,882**	4,021
Current liabilities			
Creditors: Amounts falling due within one year	14	**(16,827)**	(17,049)
Social housing and other government grants: amounts falling due within one year	17	**(1,595)**	(1,623)
Net current liabilities		**(7,739)**	(6,685)
Total assets less current liabilities		**245,440**	231,900
Non-current liabilities			
Creditors: amounts falling due after more than one year	15	**(109,478)**	(101,782)
Social housing and other government grants: amounts falling due after more than one year	17	**(123,019)**	(120,170)
Provisions for liabilities	16	**(1,307)**	(2,041)
Total net assets		**11,636**	7,907
Capital and reserves			
Called-up share capital	18	**0**	0
Total reserves		**11,636**	7,907
Total capital and reserves		**11,636**	7,907

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board of Directors on 30th July 2026, and signed on its behalf by:

K Achtelstetter (Chair - Board) | M Leppard (Chair Audit & Risk) | Mair Pugh-Jones (Company Secretary)

KAchtelstetter

MPJones

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

	2026 £'000	2025 £'000
Net cash generated from operating activities (see Note i)	**3,493**	10,808
Cash flow from investing activities		
Purchase of tangible fixed assets - housing property additions	**(11,694)**	(9,478)
Purchase of tangible fixed assets - component additions	**(4,315)**	(5,462)
Purchase of tangible fixed assets - other fixed assets	**(107)**	(1,155)
Grants received	**5,924**	8,424
Interest received	**199**	386
Cash flow from financing activities		
Interest paid	**(4,822)**	(4,604)
Receipts from revolver credit facility	**8,500**	-
Repayment of borrowings	**(643)**	-
Net change in cash and cash equivalents	**(3,476)**	(1,081)
Cash and cash equivalents at the beginning of the year	**7,953**	9,034
Cash and cash equivalents at the end of the year	**4,477**	7,953

Statement of Cash Flows notes
for the year ended 31st March 2026

Note i - Net cash generated from operating activities	2026 £'000	2025 £'000
Cash flow from operating activities		
Surplus for the year after tax	**3,588**	1,969
Adjustments for non-cash items:		
Depreciation of tangible fixed assets - housing properties	**3,317**	3,197
Depreciation of tangible fixed assets - other fixed assets	**340**	376
Government grants utilised in the year	**(3,893)**	(1,623)
Working capital movement:		
(Increase) / decrease in stock	**(1)**	(2)
(Increase) in trade and other debtors	**(2,241)**	(193)
(Decrease) / increase in trade and other creditors	**(1,689)**	3,361
Increase in provisions	**188**	26
Pension costs less contribution payable	**(591)**	(792)
Adjustment for investing or financing activities:		
Loss on disposal of tangible fixed assets	**-**	195
Interest Receivable	**(154)**	(385)
Interest Payable	**4,629**	4,679
Net cash generated from operating activities	**3,493**	10,808

Note ii - Free cash flow	2026 £'000	2025 £'000
Net cash generated from operating activities	**3,493**	10,808
Interest paid	**(4,822)**	(4,604)
Interest received	**199**	386
Adjustment for reinvestment in existing properties		
Component replacements	**(4,315)**	(5,462)
Purchase of other replacement assets	**(107)**	(1,155)
Free cash consumed before loan repayments	**(5,552)**	(27)
New loans (excluding revolving credit and overdrafts)	**-**	-
Loans repaid (excluding revolving credit and overdrafts)	**(643)**	-
Free cash generated / (consumed) after loan repayments	**(6,195)**	(27)

1. Principle accounting policies

Format of accounts

The Association is a public benefit entity. The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 102 in the United Kingdom, the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015 and the Statement of Recommended Practice for Registered Social Housing Providers 2018. All amounts are presented in pounds sterling (GBP), which is both the functional and presentational currency of the Association.

Basis of accounting

The financial statements are prepared in the historical cost basis of accounting.

Basis of preparation

After reviewing the Associations forecasts and projections, the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The Association therefore continues to adopt the going concern basis in preparing its financial statements.

Turnover and revenue recognition

Turnover comprises rental and service charge income, fees, amortisation of grants and revenue grants receivable.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Surpluses or deficits resulting from the sale of properties and fixed asset investments are shown in the income and expenditure account under surpluses/deficits from the sale of fixed assets. Revenue is recognised when sale completion of the property has been achieved. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities. Amortisation of Social Housing and other government grants is accounted for in line with the accounting policy.

Debtors

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

1. Principle accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents reflects amounts on deposit.

Creditors

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

Interest payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

a) interest on borrowings specifically financing the development programme after deduction of social housing grant (SHG) received in advance; or

b) a fair amount of interest on borrowings of the association as a whole after deduction of SHG received in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the statement of comprehensive income in the year.

Finance

The financial statements have been prepared on the basis that the capital expenditure referred to in Note 9 and 10, will be grant aided, funded by loan or met out of reserves.

Loans

Loans are advanced by local authorities, building societies, banks and investment companies under the terms of individual mortgage deeds and security arrangements in respect of each property or housing scheme.

Although the level of loan finance is approved by private lenders the amount of actual draw down throughout the financial year is determined by the Association in accordance with its specific requirements.

Loan arrangement fees are capitalised and recognised as expenditure over the term of the loan through the effective interest rate applied to the loan and amendments thereto when subsequent fees arise during the course of such loans.

1. Principle accounting policies (Continued)

Concessionary loans are recognised as liabilities in the accounts at point of drawdown as there is no commitment to the loan until this has occurred. Any subsidy related to the loan is not reflected in the accounts.

Employee benefits

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

Grants and amortisation

Social Housing Grants (SHG) are capital grants receivable from the Welsh Government which are repayable in the event of disposal, demolition or change of use to an ineligible activity, save in circumstances where the Welsh Government considers it appropriate to reduce the amount repayable. These are designed as a contribution towards the capital cost of providing new social housing and are received when a property is developed or acquired.

Housing Finance Grants (HFG) are capital grants receivable from the Welsh Government which are repayable – to the extent that such amounts have been received – in the event of disposal, demolition or change of use to an ineligible activity. These are designed as a contribution towards the capital cost of providing new social housing and are received in instalments over a term of 30 years commencing once a scheme is approved for development.

Grants received from central government agencies and local authorities are shown within creditors on the face of the statement of financial position. Grants relating to assets are recognised in income on a straight-line basis over the expected useful life of the asset. Government grants received for housing properties are recognised in income in full when the asset is capitalised.

Where grants are received in advance they are carried forward as current liabilities to be matched against future capital expenditure as it is incurred. Grants receivable in respect of completed schemes or those under construction are included as debtors in the financial statements.

Grants are repayable under certain circumstances, primarily following the sale of property. Such repayable grants are included within creditors in the statements.

1.Principle accounting policies (Continued)

Development Costs

Development costs are capitalised in as much as they comprise purchase price, directly attributable costs to bring the properties into working condition for their intended use and incremental costs that would have been avoided only if the properties had not been constructed as required. Any other development costs which are not directly attributable have been written off to the Statement of Comprehensive Income.

Shared Equity Property

Where housing properties are sold under s106 agreement the net book value of the percentage sold is released to the Statement of Comprehensive Income, the remaining percentage held by the association is transferred to investments held as fixed assets.

Shared Ownership

The costs of shared ownership properties are accounted for as fixed assets and sales treated as disposals and are shown in the Statement of Comprehensive Income within surplus/deficit on sales of housing properties.

Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Comprehensive Income as incurred.

Leased Assets

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the association's normal accounting policies. The present value of future rentals is shown as a liability.

The interest element of rental obligations is charged to expenditure over the period of the lease in proportion to the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to expenditure on a straight-line basis over the lease term.

Dilapidations

Leasehold properties have a provision for dilapidations, on the basis of the average cost of dilapidations for leaseholds surrendered within the last five years, applied to the existing leases plus inflation.

1. Principle accounting policies (Continued)

Housing land and buildings and depreciation

Housing properties are stated at cost. The cost of properties is their purchase price together with incidental costs of acquisition and direct costs of the development process.

"Properties in the course of construction" are stated at cost and are transferred into "social housing properties" when completed. Any overhead costs directly attributable to bringing fixed assets into their working condition for their intended purpose are capitalised. Expenditure on the initial purchase of land and buildings is capitalised and disclosed as part of properties in the course of construction.

Profit or loss on disposal of a property is recognised at the date a sale becomes certain. The profit or loss arising on disposal is the difference between the sale price and the total of depreciated cost and any associated costs of disposal such as legal and valuation fees. The grant originally received on a property is repayable in full at time of disposal, demolition or change of use to an ineligible activity. Such grant is transferred to recycled grant until such time as it is utilised on another development or repaid to Welsh Government (WG)

Some residents have rights under their tenancy agreement to purchase their homes at prices which are at a discount to the open market price. Some properties have been partially sold under shared ownership arrangements. Occupiers have full use of the properties concerned and pay a rent which reflects the proportional interest retained by the Association. In the statement of financial position, the Association’s interest is shown as a proportion of the original historic cost, corresponding to the interest retained. Occupiers can purchase some or all of that retained interest at a corresponding proportion of the current market value when that transaction arises.

Depreciation is charged on the historic cost of property components. Freehold land is not depreciated. Leasehold land is depreciated over the remaining term of the lease. The depreciable amount is written off over the estimated useful lives from the date of purchase or construction.

Where a housing property comprises two or more major components with substantially different useful economic lives, each component is accounted for separately and depreciated over its individual useful economic life. Expenditure relating to the subsequent replacement or renewal of components is capitalised as incurred.

Depreciation is charged on cost on a straight-line basis over the component’s expected economic useful life as follows:

1. Principle accounting policies (Continued)

Component	No of Years
Main Structure	150
Kitchens	21
Bathroom	25 – 30
Heating	19
Windows	30
Doors	25 - 30
Roof	55
Electrics	40
Solar PV Panels	25
Solar PV Invertors	10
External Wall Insulation	55

Components on leasehold land are depreciated over the shorter of the above and the remaining period of the lease.

The costs of repairs and maintenance are recognised as expenses incurred in the statement of comprehensive income based on work done at the year end.

Impairment

Housing properties, including those with individual components, and other assets are assessed whether an indication of impairment exists at each reporting date. Where there is evidence of impairment, assets are written down to their recoverable amount, being the higher of the value in use and fair value less costs to sell. Any such write down is charged to operating surplus.

Other tangible fixed assets and depreciation

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis so as to write off the cost less estimated residual value of assets over their expected useful economic lives as follows:

1. Principle accounting policies (Continued)

Component	% pa
Office Premises	1%
Office Furniture & Equipment	15%
Office Refurbishment	10%
Computer Hardware & Software	33%
Motor vehicles	25%
Service Charge Assets	3% – 33%

Donated Land and Assets

Land and other assets donated by local authorities and other government sources are recognised at the fair value on initial recognition, at the time of the donation. Where the land is not related to a specific development and is donated by a public body an amount equivalent to the difference between fair value and consideration paid is treated as a non-monetary government grant and recognised on the statement of financial position as deferred income within liabilities. Where the donation is from a non-public source, the value of the donation is included as income.

Apportionment of Employee Administration Costs

Direct employee, administration and operating costs have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of actual expenditure. Management, finance and administration costs are further apportioned on the basis of staff salaries, except for development overheads, the calculation for which is based upon recognised development costs only.

Pension obligations – defined benefit schemes

The Association makes payments to defined benefit pension schemes on behalf of its employees. The schemes are funded by contributions partly from the employees and partly by the Association at rates determined by independent actuaries. The scheme assets are invested separately from the Association assets in independently administered multi – employer funds.

Triennial valuations by the independent actuaries of the schemes highlight the estimated pension liability in respect of past service commitments, and the requisite employer contributions resulting from the projected surplus or deficit. The fair value of plan assets, present value of the defined benefit obligation and the defined benefit liability are shown in the statement of financial position.

The statement of comprehensive income reflects the current service cost, expenses and net interest expense of the scheme.

1. Principle accounting policies (Continued)

Pension obligations – defined contribution schemes

The Association makes payments to defined contribution schemes on behalf of its employees. The schemes are funded by fixed contributions from both employees and the Association. The scheme assets are invested separately from the Association assets in independently administered funds in the names of the employees concerned and there is no residual liability for the Association beyond remittance of these contributions.

The associated expenditure is recognised immediately in the statement of comprehensive income in the year in which contributions are earned.

Provisions

Provisions are recognised where uncertainty exists in relation to the timing or amount that may be required to settle potential liabilities. Any amounts provided are included as expenditure in the statement of comprehensive income and recognised as liabilities in the statement of financial position based upon the Group's best estimate of the associated liability.

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Asset held for resale – Property

Non-current assets and associated liabilities are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable.

Assets designated as held for sale are held at the lower of carrying amount at designation and fair value less costs to sell. Depreciation is not charged against property, plant and equipment classified as held for sale.

Sinking Funds – Service Charges

The Association operates both fixed and variable service charges on a scheme-by-scheme basis. Service charges on all schemes are set on the basis of budgets. Where variable service charges are used the budget will include an allowance for the surplus or deficit from prior years, with a surplus being returned to residents in the form of a reduced charge for the year and a deficit being recovered via a higher service charge. Charges made to

1. Principle accounting policies (Continued)

leaseholders for the replacement of equipment and repairs within their estates are held in sinking funds which are ring-fenced for use on those estates. Such sinking funds are disclosed on the balance sheet as creditors.

VAT

The Association is partially exempt in relation to Value Added Tax (VAT), and accordingly is able to recover from HM Revenue & Customs part of the VAT incurred on expenditure. At the year-end VAT recoverable or payable is included in the statement of financial position. Irrecoverable VAT is accounted for in the statement of comprehensive income.

Taxation

The Association is registered with charitable status as a Housing Association and is registered under The Co-operative and Community Benefit Societies Act 2014. It benefits from corporation tax exemptions available to charitable bodies. For activities which fall within its charitable purposes, no provision for corporation tax is made.

The Association has invested in a programme of fitting solar panel technology to some of its properties. The solar panels are eligible for government funded feed in tariff, which will generate an income based on energy produced. This income is deemed outside its charitable purpose and is subject to corporation tax.

Deferred Taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Except as noted below, full provision for deferred taxation is made under the liability method on all timing differences that have arisen, but not reversed by the balance sheet date. Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised cost model.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in surplus or deficit. At each year end, the instruments

1. Principle accounting policies (Continued)

are revalued to fair value, with the movements posted to the income and expenditure (unless hedge accounting is applied).

Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

(1) Impairment of social housing properties

The Association has to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP. Specifically, this includes whether there is an impairment indicator for a cash-generating unit. For these purposes a cash-generating unit is defined as a property scheme.

(2) Defined benefit pension scheme

The Association 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 estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

(3) Estimated useful lives of property, plant and equipment, tangible fixed assets are depreciated over their useful lives based on various factors. The actual lives of the assets are re-assessed on a periodic basis and may vary depending on the standard of the asset. For housing property assets, the assets are broken down into components based on management's assessment of the properties and the specific costs incurred in replacing these components. Individual useful

1. Principle accounting policies (Continued)

economic lives are assigned to these components. The accounting policies above show the useful economic lives used for each asset.

(4) Bad and Doubtful debts

The estimate for Bad & Doubtful debts is based on the aged balance of the debt and the tenancy status. All debts are provided for on a sliding scale depending on number of weeks outstanding with any debt over 11 weeks being fully provided. All former tenant debt is fully provided

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st March 2026

2. Analysis of turnover and costs

a) Particulars of turnover, operating costs and operating surplus

	Turnover 2026 £'000	Operating Costs 2026 £'000	Operating Surplus 2026 £'000	Turnover 2025 £'000	Operating Costs 2025 £'000	Operating Surplus 2025 £'000
Social Housing lettings (Note 2b)	**30,785**	**(23,164)**	**7,621**	27,702	(22,236)	5,466
Other social housing activities						
Property Improvements Grant	**376**	**(387)**	**(11)**	364	(337)	27
Other	**964**	**(511)**	**453**	1,429	(464)	965
Total	**32,125**	**(24,062)**	**8,063**	29,495	(23,037)	6,458

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st March 2026

2. Analysis of turnover and costs (Continued)

b) Particulars of income and expenditure from social housing lettings

	General needs £'000	Supported Housing £'000	2026 Total £'000	2025 Total £'000
Income				
Rent receivable	17,275	898	18,173	17,589
Service charge income	3,683	983	4,666	4,868
Grant Income for support services	1,166	2,887	4,053	3,622
Grant Income for S106 properties	2,297	-	2,297	129
Amortisation of social housing and other government grants	1,534	62	1,596	1,494
Turnover from social housing lettings	25,955	4,830	30,785	27,702
Operating costs				
Management costs	5,796	3,092	8,888	8,128
Service charges	3,467	788	4,255	4,462
Routine maintenance	5,507	198	5,705	5,503
Major repairs expenditure	669	-	669	630
Bad debts	120	32	152	219
Depreciation of housing properties	3,241	119	3,360	3,197
Development and other costs	29	-	29	21
Property Lease payments	72	34	106	76
Operating costs on social housing activities	18,901	4,263	23,164	22,236
Operating Surplus on social housing lettings	7,054	567	7,621	5,466
Memorandum information: Rent loss due to voids	(423)	(144)	(567)	(449)

c) Turnover of indirectly Managed Agencies

	2026 Total £'000	2025 Total £'000
Gross rents receivable	322	326

These figures exclude void charges.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st March 2026

3. Employee Information

The average number of staff (including executive officers) employed during the year was:

	2026 Number	2026 F.T.E	2025 Number	2025 F.T.E
Corporate Staff	**48**	**34**	47	34
Operations Staff	**158**	**147**	137	131
Care & Support staff	**99**	**79**	102	86
Total	**305**	**260**	286	251

	2026 £'000	2025 £'000
Staff Costs		
Wages and Salaries	**8,009**	7,105
Social security costs	**963**	625
Pension costs	**370**	441
	9,342	8,171

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st March 2026

4. Board Members and Executives

	2026				2025
	Basic Salary	Benefits in kind	Pension Contributions	**Total**	Total
	£'000	**£'000**	**£'000**	**£'000**	£'000
Aggregate emoluments of executive officers	607	0	31	**638**	546

The highest paid senior executive during the period excluding settlements was the Chief Executive. The total emoluments of the highest paid senior executive excluding pension contributions and settlement agreements were £115k (2025: £112k)

Pension costs are shown as contributions paid on the senior executive's behalf. The number of senior executives accruing retirement benefits is 6 (2025: 6)

The full-time equivalent number of all staff including directors whose remuneration payable (including pension costs) in the period fell within the following bands was:

	2026	**2025**
£60,000 - £69,999	5	7
£70,000 - £79,999	-	1
£80,000 - £89,999	-	-
£90,000 - £99,999	4	1
£100,000 - £109,999	-	1
£110,000 - £119,999	-	-
£120,000 - £129,999	1	1

The Chief Executive and Executive Directors are ordinary members of the contributory pension scheme – no enhancement or special terms apply, and the Association makes no contribution to any individual pension arrangement.

Since 1 January 2021, Board members are paid emoluments. No pension contributions are payable to Board members. Total remuneration paid to Board Members was £60,120 (2025: £59,841). The total of expenses paid to the Board was £1,306 (2025: £4,017).

5. Operating Surplus

	2026	2025
	£'000	£'000
Surplus for the year from continuing activities is stated after charging/(crediting):		
Depreciation of properties	**3,202**	2,973
Depreciation of other assets	**340**	376
Amortisation of grants	**(1,595)**	(1,623)
Surplus on disposal of fixed assets	**-**	(195)
Bad Debts	**152**	219
Auditors' remuneration:		
- In their capacity as auditors	**25**	25
- Other services	**2**	2
Lease Payments:		
- Land and buildings	**106**	76
- Other assets	**212**	212

6. Surplus/(Loss) on disposal of Fixed Assets

	2026	2025
	£'000	£'000
Proceeds	-	-
Less Historical Cost	-	(2,300)
Add Depreciation	-	539
Add Grant Funding	-	912
Less Previously impaired	-	1,853
	-	1,004
Less Transfers to Recycled Grant	-	(1,199)
Surplus/(deficit) on sale of fixed assets	**-**	**(195)**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st March 2026

7. Interest Receivable

	2026 £'000	2025 £'000
Interest receivable from investments	154	385
Total interest receivable	**154**	**385**

8. Interest Payable and Similar Charges

	2026 £'000	2025 £'000
On bank loans and overdrafts and other loans:		
Repayable wholly or partly in more than 5 years	4,669	4,604
Amortised loan arrangement fees	65	15
Capitalised development interest	(204)	(61)
Discount factor on pension liability (interest)	99	121
Total interest payable	**4,629**	4,679

An average rate of interest set at the start of the year of 4.83% (2025: 4.81%) has been used to calculate the finance costs capitalised.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st March 2026

9. Tangible fixed assets – Housing land and buildings

	Social Housing Properties £'000	HARPS Housing Properties £'000	Properties in the course of Construction £'000	Total £'000
Cost				
At 1st April 2025	250,230	1,231	20,543	**272,004**
Property acquisitions	-	-	13,815	**13,815**
Schemes completed	16,763	-	(16,763)	**-**
Transferred to Other Fixed Assets	-	-	(36)	**(36)**
Component additions to existing properties	4,510	18	-	**4,528**
Components disposals	(506)	(10)	-	**(516)**
Housing property disposals	(38)	-	-	**(38)**
At 31st March 2026	**270,959**	**1,239**	**17,559**	**289,757**
Depreciation				
At 1st April 2025	39,467	959	-	**40,426**
Charge for Year	3,155	47	-	**3,202**
Components disposals	(397)	(4)	-	**(401)**
Housing property disposals	(14)	-	-	**(14)**
At 31st March 2026	**42,211**	**1,002**	**-**	**43,213**
Net book value				
At 31st March 2026	**228,748**	**237**	**17,559**	**246,544**
At 31st March 2025	210,763	272	20,543	231,578

The HARPS residential properties are a leasehold scheme which will be handed back to the freehold owner at the end of the lease. The term of these leases ranges from between 4 and 92 years.

Additions to existing properties completed comprise of £4,510,000 for component items.

Expenditure on properties charged directly to Statement of Comprehensive Income is detailed as per the operating costs note 2(b).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st March 2026

10. Other tangible fixed assets

	Freehold Offices £'000	Furniture and Equipment £'000	Total £'000
Cost			
At 1st April 2025	701	7,111	**7,812**
Additions	2	105	**107**
Disposals	-	-	**-**
At 31st March 2026	**703**	**7,216**	**7,919**
Depreciation			
At 1st April 2025	385	4,441	**4,826**
Charge for Year	18	322	**340**
Eliminated on disposals	-	-	**-**
At 31st March 2026	**403**	**4,763**	**5,166**
Net book value			
At 31st March 2026	**300**	**2,453**	**2,753**
At 31st March 2025	316	2,670	2,986

None of the above assets were held under finance leases or hire purchase contracts.

11. Stock

	2026 £'000	2025 £'000
Stock	27	26
Properties held for sale	24	-
Total stock held at year end	**51**	26

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st March 2026

12. Trade and other debtors: amounts falling due within one year

	2026 £'000	2025 £'000
Rent arrears	1,336	1,167
Less: Provision for bad and doubtful Rental debts	(633)	(454)
Development Grants receivable	139	132
SHG Grants receivable	4,000	1,863
Other grants receivable	157	65
Prepayments	830	878
Other debtors	415	449
Due from Hostel managing agents	10	9
Interest receivable	26	71
Insurance claims	56	-
Less: Provision for bad and doubtful General debts	(181)	(172)
Total debtors due within one year	**6,155**	4,008

13. Trade and other debtors: amounts falling due after more than one year

	2026 £'000	2025 £'000
Capital Debtor	3,882	4,021
Total debtors due after more than one year	**3,882**	4,021

14. Creditors: amounts falling due within one year

	2026	2025
	£'000	£'000
Recycled Social Housing Grant	1,262	1,251
Social Housing Grant In Advance	6,907	5,410
Deferred Income	4	4
Loan interest and similar charges	634	666
Value Added Tax	20	20
PAYE and Social Security	229	187
Pensions	1	-
Purchase ledger & other creditors	924	898
Accruals	4,389	4,607
Rents paid in advance	527	456
Maintenance creditors	672	1,768
Development Contract Creditors	551	1,038
Premium on Issue of Bond	161	161
Housing Loans	546	583
Total creditors due within one year	**16,827**	17,049

Housing loans are shown net of capitalised loan fees of £97k (2025: £59k)

	2026	2025
	£'000	£'000
Opening Recycled Social Housing Grant	1,251	52
Recycled grants	11	1,199
Closing Recycled Social Housing Grant	**1,262**	1,251

Recycled Social Housing Grant due for repayment to the Welsh Government in the next 12 months is Nil (2025: Nil).

15. Creditors: amounts falling due after more than one year

	2026	2025
	£'000	£'000
Housing Loans	107,465	99,606
Premium on Issue of Bond	1,762	1,923
Deferred Income	250	253
Pension Creditor	1	-
Total creditors due after more than one year	**109,478**	**101,782**

Housing loans are repayable as follows:	**2026**	2025
	£'000	£'000
Amounts falling due:		
Within one year or less	546	583
Between one and two years	547	584
Between two and five years	26,179	17,755
In five years or more	80,739	81,267
In more than one year	107,465	99,606
Total housing loans	**108,011**	**100,189**

Housing loans are repayable as follows:	**2026**	2025
	£'000	£'000
Due within one year		
Bank Loans	643	643
Less issue costs	(97)	(60)
	546	**583**
Due after more than one year		
Bank Loans	92,540	84,046
Welsh Government Loan	5,000	5,000
Other Loans	10,834	11,471
Less issue costs	(909)	(911)
	107,465	**99,606**
Total Borrowings	**108,011**	**100,189**

Housing loans are shown net of capitalised loan fees of £1.01m (2025: £0.97m)

Housing loans are secured by specific charges on the Association's housing properties. Rates of interest during the year ranged from 2.22% to 15.00%. The weighted average rate of interest was 4.6% (2025: 4.6%). At 31 March 2026, 90% (2025: 98%) of loans bore interest at fixed rates and 10% (2025: 2%) at variable rates.

At 31 March 2026 Housing loans are provided by banks and other lenders £109.0m (2025: £101.2m).

£12.0m of housing loans are repayable by annual, half yearly or quarterly instalments over terms of 17 – 23 years. The final instalments fall to be repaid in the period 2043 to 2049.

The bank loans are secured by a floating charge over the assets of the association and by fixed charges on individual properties.

At 31 March 2026 the Association had undrawn loan facilities of £21.5m (2025: £20m).

16. Pension provision

	2026 £'000	2025 £'000
At 1st April 2025	**2,041**	2,918
Re-measurement of opening pension liability	**-**	-
	2,041	2,918
Discount factor on pension liability (interest)	**99**	121
Employer contribution paid including deficit contributions	**(845)**	(1,096)
Current service cost	**153**	184
	(593)	**(791)**
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	**201**	1,165
Experience gains and losses arising on the plan liabilities - gain (loss)	**(209)**	714
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	**124**	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	**(257)**	(1,965)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	**(141)**	**(86)**
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	**-**	-
Total amount recognised in other comprehensive income - gain (loss)	**(141)**	**(86)**
At 31st March 2026	**1,307**	2,041

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st March 2026

17. Social housing and other government grants

	Social Housing Properties £'000	HARPS Housing Properties £'000	Properties in the course of Construction £'000	Total £'000
Gross grant creditor				
At 1st April 2025	137,064	845	16,574	**154,483**
SHG received in year	-	-	4,427	**4,427**
Transferred on completion	8,241	-	(8,241)	**-**
Housing property disposals	(18)	-	-	**(18)**
At 31st March 2026	**145,287**	**845**	**12,760**	**158,892**
Amortisation				
At 1st April 2025	32,041	649	-	**32,690**
Credit for year	1,573	22	-	**1,595**
Housing property disposals	(7)	-	-	**(7)**
At 31st March 2026	**33,607**	**671**	**-**	**34,278**
Net grant creditor				
At 31st March 2026	**111,680**	**174**	**12,760**	**124,614**
At 31st March 2025	105,023	196	16,574	121,793

The grants are amortised as follows:	**2026 £'000**	2025 £'000
Amounts falling due:		
Within one year or less	**1,595**	1,623
Between one and two years	**1,595**	**1,623**
Between two and five years	**4,785**	**4,869**
In five years or more	**116,639**	**113,678**
In more than one year	**123,019**	**120,170**
Total grant creditor	**124,614**	**121,793**

18. Called-up share capital

	2026 £	2025 £
Allotted, issued and fully paid		
At 1st April 2023	**23**	21
Issued during the year	**3**	4
Shares cancelled during the year	**(3)**	(2)
At 31st March 2026	**23**	23

Shareholders have no equity interest in the Association; they have no right to any dividend distribution on winding up. In addition, there is no provision for the redemption of shares, the value of the share being written back to reserves. Shareholders have the right to vote at General meetings of the Association.

19. Capital commitments

	2026 £'000	2025 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**17,786**	19,915
Capital expenditure that has been authorised by the Board of Management but has not yet been contracted for	**6,113**	34,777

The above capital commitments will be financed using a mixture of Social Housing Grant (SHG), Housing Finance Grant (HFG) and Private Finance. The private finance will come from existing funds.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st March 2026

20. Operating Leases

Future minimum amounts payable under non-cancellable operating lease agreements are as follows:

	Properties £'000	Other £'000	**2026 £'000**	2025 £'000
Within one year	89	229	**318**	287
In one to two years	89	120	**209**	265
In three to five years	214	11	**225**	327
In over 5 years	2,018	-	**2,018**	951
Total	2,410	360	**2,770**	1,830

21. Accommodation units

	2026 Number	2025 Number
Accommodation in Management		
General Needs & Extra Care at end of year	**2,800**	2,732
Shared Ownership, Fixed Equity & Leasehold at end of year	**22**	22
Supported Housing at end of year	**101**	100
	2,923	2,854
Accommodation Managed by others		
Supported Housing at end of year	**73**	67
	73	67
Total number of units	**2,996**	2,921

22. Pensions - SHPS Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 521 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £6.2m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

Expenses for death-in-service insurance, administration and Pension Protection Fund (PPF) Levy are included in the contribution rate. Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

22. Pensions - SHPS Scheme (Continued)

Three of the existing structures are closed, one is based on a final salary with a 1/60th accrual rate, one is based on a final salary with a 1/70th accrual rate and the other is based on final salary with a 1/80th accrual rate. Two of the existing structures are closed to new members and is based on career average revalued earnings (CARE), one with a 1/60th accrual rate and the other with a 1/80th accrual rate.

During the accounting period Caredig paid contributions at the rate of 7.6% in respect of the CARE 1/60th accrual rate structure, and 5.8% in respect of the CARE 1/80th accrual rate structure, and 4-8% dependant on the employee contributions in respect of the defined contribution scheme. As at the statement of financial position date there were 40 (2025: 44) active members of the defined benefit schemes and 209 (2025: 187) active members of the defined contribution scheme.

During the year the association made payments of £649k (2025: £670k) to the Social Housing Pension Scheme for the recovery plan of the past service deficit.

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	2026	2025
	£'000	£'000
Fair value of plan assets	13,006	12,398
Present value of defined benefit obligation	14,313	14,439
Surplus (deficit) in plan	(1,307)	(2,041)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(1,307)	(2,041)

22. Pensions - SHPS Scheme (Continued)

Reconciliation of opening and closing balances of the defined benefit obligation

	2026 £'000
Defined benefit obligation at start of period	14,439
Current service cost	153
Expenses	29
Interest expense	826
Member contributions	11
Actuarial losses (gains) due to scheme experience	(209)
Actuarial losses (gains) due to changes in demographic assumptions	124
Actuarial losses (gains) due to changes in financial assumptions	(257)
Benefits paid and expenses	(803)
Defined benefit obligation at end of period	14,313

Reconciliation of opening and closing balances of the fair value of plan assets

	2026 £'000
Fair value of plan assets at start of period	12,398
Interest income	727
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(201)
Employer contributions	874
Member contributions	11
Benefits paid and expenses	(803)
Fair value of plan assets at end of period	13,006

22. Pensions - SHPS Scheme (Continued)

Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)

	2026 £'000
Current service cost	153
Expenses	29
Net interest expense	99
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	281

Defined benefit costs recognised in Other Comprehensive Income

	2026 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(201)
Experience gains and losses arising on the plan liabilities - gain (loss)	209
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(124)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	257
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	141
Total amount recognised in Other Comprehensive Income - gain (loss)	141

22. Pensions - SHPS Scheme (Continued)

Assets

	2026 £'000	2025 £'000
Global Equity	1,441	1,389
Liquid Alternatives	2,316	2,299
Insurance-Linked Securities	19	38
Property	635	621
Infrastructure	1	2
Private Equity	28	11
Real Assets	1,224	1,484
Private Credit	1,570	1,517
Credit	518	474
Investment Grade Credit	765	382
Cash	2	168
Long Lease Property	-	4
Secure Income	395	207
Liability Driven Investment	3,965	3,755
Currency Hedging	-	20
Net Current Assets	127	27
Total assets	13,006	12,398

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

22. Pensions - SHPS Scheme (Continued)

Key assumptions

	2026	2025
	£'000	£'000
Discount Rate	6.14%	5.85%
Inflation (RPI)	3.29%	3.09%
Inflation (CPI)	3.03%	2.79%
Salary Growth	4.03%	3.79%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	2026
	(Years)
Male retiring in 2026	20.9
Female retiring in 2026	23.2
Male retiring in 2046	22.2
Female retiring in 2046	24.6

From 1 April 2016 Caredig changed the basis of the defined benefit schemes to the following:

- Career average re-valued earnings with a 1/60th accrual rate.
- Career average re-valued earnings with a 1/80th accrual rate.
- Defined Contribution benefit structure for auto enrolment

Employees were block transferred into the appropriate scheme from the 1 April 2016. All defined benefit schemes have now been closed to all employees.

During the accounting period Caredig paid contributions at the rate of 7.6% for the 60th scheme, 5.8% for the 80th scheme and 4-8% dependant on the employee contributions for the Defined Contribution scheme.

Member contributions were 7.6% for 60th scheme, 5.8% for the 80th scheme, and between 5 to 35% for the Defined contribution scheme.

22. Pensions - SHPS Scheme (Continued)

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. The Court hearing concluded in March 2025, with the Court's determination expected no earlier than the Summer of 2026. Depending on the outcome of the hearing, it may be necessary to ask further questions of the Court to clarify certain additional points. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

23. Pensions – Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions	
From 1 April 2025 to 31 March 2028:	£2,100,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

23. Pensions – Growth Plan (Continued)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum (payable monthly)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that
relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUE OF PROVISION

	Period Ending 31 March 2026 (£000s)	**Period Ending** 31 March 2025 (£000s)
Present value of provision	2	3

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st March 2026

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2026 (£000s)	**Period Ending** 31 March 2025 (£000s)
Provision at start of period	3	1
Unwinding of the discount factor (interest expense)	-	-
Deficit contribution paid	(1)	(1)
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	3
Provision at end of period	2	3

23. Pensions – Growth Plan (Continued)

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2026 (£'000s)	**Period Ending** 31 March 2025 (£'000s)
Interest expense	-	-
Remeasurements – impact of any change in assumptions	-	-
Remeasurements – amendments to the contribution schedule	-	3
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	-	-

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st March 2026

ASSUMPTIONS

	31 March 2026 % per annum	31 March 2025 % per annum	31 March 2024 % per annum
Rate of discount	4.92	4.84	5.31

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 March 2026 (£000s)	31 March 2025 (£000s)	31 March 2024 (£000s)
Year 1	1	1	1
Year 2	1	1	-
Year 3	-	1	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e., the unwinding of the discount rate as a finance cost in the period in which it arises.
It is these contributions that have been used to derive the company's balance sheet liability.

24. Analysis of changes in net debt

	At 1st April 2025 £'000	Cashflows £'000	Other non cash movements £'000	**At 31st March 2026 £'000**
Cash	7,953	(3,476)	-	**4,477**
Bank loans due within one year	(643)	643	(643)	**(643)**
Bank loans due greater than one year	(100,517)	(8,500)	643	**(108,374)**
Premium on issue of bond due within one year	(161)	-	-	**(161)**
Premium on issue of bond due greater than one year	(1,923)	-	161	**(1,762)**
Total	**(95,291)**	**(11,333)**	**161**	**(106,463)**

Loans are shown gross of loan arrangement fees.

25. Legal status

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 (registration number: 21057R) and is a registered social landlord (National Assembly for Wales registration number: L002).

26. Related Party Transactions

During the year one Board Member is an employee of Swansea Council who the Association deal with on a regular basis as registered social landlords in the area, however the employee declares the interest at all meetings and has a role in the Council where no conflict of interest is deemed to exist.

Board members are remunerated for their role and responsibilities, with amounts remunerated disclosed on Note 4. The total payments to Board members are reviewed annually, taking external independent advice where appropriate.

The group considers the key management personnel to be the Board and Executive Team. Disclosures in relation to key management personnel are included in note 4

27. Contingent Liabilities

a) The Association amortises government grants over the useful life of the properties, as required by Housing SORP 2014. Although the Association has no current plans to sell its housing land and buildings, if it were to then government grants may become repayable.

   The total contingent liability as at 31 March 2026 is £34,278k (2025: £32,690k). This represents amortised amounts of social housing and other government grants.

b) The Association is a participating employer member of the Pension Trust's Growth Plan. This is a multi-employer pension scheme, which is in most respects a money purchase arrangement, but it also has some guarantees. Employees of the Association have participated in the Growth Plan primarily using additional voluntary contributions (AVCs). In accordance with the Occupational Pension Schemes (Employer Debt on Withdrawal) Regulations 2005, a potential debt can arise on employers that participate in the Growth Plan.

   The debt will only crystallise in the event that the Association ceases to participate in the scheme or in the event of the scheme winding up at a time when it is not fully funded on a buy-out basis.

   The Association has been notified by the Pensions Trust that the estimated employer debt on withdrawal from the plan based on the financial position of the plan as at 30 September 2025 was £12,185.

   An employer debt could also arise on withdrawal from the Association's main final salary pension scheme arrangements through the Social Housing Pension Scheme (SHPS).

   The estimated employer debt for the Association on withdrawal from the SHPS plan based on the financial position of the scheme as at 30 September 2025 was £3.8 million. As events which could crystallise the debt are unlikely to arise in the foreseeable future, no specific provision is deemed necessary.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 2026

28. Tax reconciliation

	2026	2025
	£'000	£'000
Current Tax		
UK corporation tax on surplus for the year	**-**	-
Total Tax Reconciliation		
Surplus on ordinary activities before tax	3,588	1,969
Theoretical tax at UK corporation tax rate 25% (2025: 25%)	897	492
Surplus not taxable	(897)	(492)
Total tax charge	**-**	**-**

More Information About Us

PEOPLE
People and relationships are at the heart of everything we do

HOMES
We create homes where people feel safe and secure

COMMUNITY
We help to build thriving communities where people can flourish

Contact Us :

Phone Number:
01792 460192

Website:
www.craedig.co.uk

Location:
43, Walter road,
Swansea, SA1 5PN

Email Address:
info@caredig.co.uk