



# Celebrating 20 years of providing safe and happy homes

Financial Statements 2023 - 2024



**Valleys to Coast**  
celebrating 20 years

 Contents

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## Principal Activities

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

This year Valleys to Coast has celebrated its 20th birthday, having become the first Welsh housing association to be established as part of a large-scale voluntary transfer of local authority housing stock in 2003 from Bridgend County Borough Council (BCBC).

Today, the Company provides management, maintenance and enhancement services to 6,072 homes of different types, including general needs housing (5,827), intermediate rentals (46) and supported housing (199). The Company also has 13 homes that people have bought at a lower cost known as our low-cost home ownership properties.

The Company also provides management services for 688 leasehold flats, 818 garages, 42 shops and 8 community buildings accommodating community groups like Scouts, Mountain Rescue and Air Cadets, which help support communities and our firm commitment to placemaking.



# About us

● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Our Governance

● The Board ▾

● Our Finances ▾

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

## Our Purpose

**Providing homes  
and places where  
people feel safe  
and happy.**

## Our Vision

**Helping build a  
better Bridgend  
and Wales.**

## Our Values

### **Value people:**

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

### **Think differently:**

We try new things to improve people's lives and careers.

### **Courage to see things through:**

We want the best for ourselves, our colleagues, and our customers, so we speak, work and act with conviction, strength and determination.



- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## Foreword

**As we celebrated our 20th birthday at Valleys to Coast, it's a fitting moment to both reflect on our journey and look ahead. It's an exciting time to welcome Amanda Davies as our new Chair of the Board. Joining us at this milestone marks not only a time of celebration but also a unique opportunity to envision and shape the future of Valleys to Coast.**



Building Our Future | Celebrating 20 Years and Beyond

Our vision for the next phase is clear: we aim to improve the safety and quality of life for our customers and communities. A significant part of this will involve increased investment in technology, making our services more accessible and ensuring that customer voices are heard and valued at the Board table. This will allow us to confidently deliver on the priorities that matter most.

Listening to our colleagues is equally important in achieving our ambitions. Our new property repairs and maintenance company Llanw has shown us the power of collaborative efforts, where both customers and colleagues have come together to improve services. The successful launch of Llanw highlighted the strong support from our customers and our commitment to delivering a better repairs and maintenance service. We have big plans to build on this foundation.

Setting priorities is not always straightforward, which is why we strive for a shared endeavour. The Board, the executive team, our colleagues, and our customers all have a part to play in achieving a better Bridgend and Wales. Together, inside our organisation and with our partners, we can achieve great things.

We are excited about what lies ahead and look forward to working together to realise our ambitions.

Warm regards,



**Jo Oak**  
Group Chief Executive



**Amanda Davies**  
Chair of the Board

# Our 20th Year in a snapshot

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report



**233 families**  
from Bridgend's housing  
list were housed



**733**  
**complaints**  
were resolved



**£1.4 million in**  
**financial benefits**  
was received by  
our customers



**43**  
**new homes**  
were built



**£21 million**  
invested in building and  
improving our homes



**28,317 repairs**  
were completed  
in our homes



**99.2% of**  
**our homes**  
remain gas compliant



**99.5% of**  
**our homes**  
remain electrically  
compliant



**£8,273.91 invested**  
**in our communities**  
through community benefits



**£21,106 in external**  
**grant funding**  
was received to improve  
our neighbourhoods



**500,000 sqm**  
**of green spaces**  
has been maintained



**£184,648 invested**  
in colleagues' learning  
and development



**29% of colleagues**  
are locally employed



**26**  
**New job opportunities**  
have been offered over the year

## What our customers are saying

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

"What lovely workmen I had here this afternoon. I phoned yesterday in regards to a repair on my kitchen worktop. Had a call today to see if someone could attend today. He came out and was such a lovely person."

"Litter picker who was in the area yesterday has done a fantastic job."

"The Surveyor who called out this morning had a very nice mannerism about him and he made me feel at ease as I don't usually like people in my home."

"Thank you to the Estates Team for the excellent job they have done cutting and clearing the grass away outside my property. It looks great!"

"I received great service from my Housing Partner when I called into the office for advice on Housing Jigsaw. I felt listened to and she was very patient with me."

# 20th Year in more detail – Safe and Happy Customers

● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Safe and Happy Customers

● Safe and Happy Homes

● Safe and Happy Places

● Safe and Happy Colleagues

● Safe and Happy Future

● Our Governance

● The Board ▾

● Our Finances ▾

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

**To celebrate our 20th birthday we collaborated with local schools to design a special birthday card which we sent to customers as part of their newsletter and shared it with colleagues on our big day.**

We also connected with our customers and heard their stories about their experiences living in our homes and the changes they've seen unfold over the years. Their insights and ideas were incredibly valuable as we plan for the future to make their living experience even better. Here's what they had to say about us:



**What home means to...**



Laurence in Porthcawl

▶ Click to view



Dorothy in Cefn Cribwr

▶ Click to view



JJ in Pencoed

▶ Click to view

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
  - Safe and Happy Customers
  - Safe and Happy Homes
  - Safe and Happy Places
  - Safe and Happy Colleagues
  - Safe and Happy Future
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## Introducing Llanw Property Services: Our new repairs and maintenance company

**In April 2024, we launched Llanw, a property repairs and maintenance company. Llanw, which translates to "tidal" in Welsh, shows our commitment to adaptability and responsiveness, mirroring the ever-changing needs of our customers.**

Operating independently as a separate entity, Llanw marks a significant step forward. By expanding our working hours to a standard 40-hour week, we're in a position to tackle more repair jobs efficiently. This means greater convenience for our customers, with flexible appointment times, including evenings to accommodate their work hours.

Investing in a new IT system shows our dedication to efficiency. This system enhances our ability to track, record, and schedule repair jobs, reducing travel times and ensuring timely completion. Improved communication means customers are kept informed about their appointments, showing transparency and trust.

We restructured our customer service team, establishing a specialised repairs hub. Equipped with enhanced training and tools, this team excels in diagnosing and monitoring repairs throughout the day, ensuring accuracy and quicker resolutions.



As part of the Valleys to Coast Group, Llanw is more than just a service provider. It's a promise of reliable, refreshing and consistent services to customers living in our 6,000 homes. Under the leadership of Managing Director Paul Price, Llanw prioritises customer feedback, tailoring services to meet their needs.

Discover more at [www.llanw.wales](http://www.llanw.wales).

● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Safe and Happy Customers

● Safe and Happy Homes

● Safe and Happy Places

● Safe and Happy Colleagues

● Safe and Happy Future

● Our Governance

● The Board ▾

● Our Finances ▾

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

## Gathering customer information on equality, diversity and inclusion.

**Our team went door-to-door throughout Bridgend, asking customers important equality, diversity and inclusion questions so we can better support them to live safely and happily in their homes now and in the future.**



Here's what we found:

- We discovered that some customers communicate solely through British Sign Language, showing the importance of enhancing support for those with hearing loss. We have a couple of colleagues already on BSL training and have recently used their newly acquired sign language skills to communicate with deaf customers. Their actions will have made a positive and lasting impact.
- We identified customers who primarily speak Polish and are committed to improving communication to better serve them.
- The largest demographic in our community is the 55-64 age group. We're keen to understand how they prefer to receive our services to meet their needs more effectively.

We're not just building homes; we're building a community where everyone can thrive, regardless of their background or circumstances and we plan to build on this even further next year.



- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
  - Safe and Happy Customers
  - Safe and Happy Homes
  - Safe and Happy Places
  - Safe and Happy Colleagues
  - Safe and Happy Future
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## Promoting inclusivity and safety

Throughout the year we reinforced our commitment to equality, diversity, and inclusion by partnering with South Wales Police to provide hate crime training. This training equips us with the knowledge and skills to identify and respond to hate crimes effectively.

As part of our roles, which involve interacting with customers and communities, recognising and addressing hate crimes is crucial for ensuring safety and well-being. By understanding what constitutes a hate crime and knowing how to handle such situations, we can offer support to victims and hold perpetrators accountable.



## Happy 100th Birthday!

Our colleague noticed that our customer Marian was turning 100 years old, so we surprised her with some flowers and popped along to wish her a happy birthday - she even showed us her special birthday card from the King!

# 20th Year in more detail – Safe and Happy Homes

● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Safe and Happy Customers

● Safe and Happy Homes

● Safe and Happy Places

● Safe and Happy Colleagues

● Safe and Happy Future

● Our Governance

● The Board ▾

● Our Finances ▾

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

Secure, attractive and well-maintained homes have never been more desired given our national housing crisis environment. It is important to us that we provide homes that are warm, safe and affordable to run. Here are some that we have been working on:



[43 new homes for those in need in Bridgend](#)

## 43 new homes for those in need in Bridgend

In the past year, we have delivered 43 new homes, with a significant portion achieving an EPC A rating—a testament to our commitment to sustainability. Among these developments are:

**Ffordd Melin Ddwr, Waterton:** This project features a mix of flats and houses, totalling six two-bedroom flats, eighteen two-bedroom houses, and one four-bedroom house. Constructed by Hale Construction, this development was completed in June 2023.

**The Malthouse, Pencoed:** Refurbished by D&M, this site offers four one-bedroom flats and two two-bedroom flats. We completed this in February 2024.

Additionally, we're excited about our future projects, with **approximately 250 new homes in various stages of construction or planning**. These developments are spread across different locations, with the majority expected to achieve an EPC A rating.

Some of the sites under construction or in the pipeline during 2023-24 included **Heol y Groes in Pencoed, Old Station Road in Porthcawl, Glanyrafon Care Home in Ynysawdre, Oxford Court in Nantymoel, City Road in Bettws, Bettws Social Club, and the Former YMCA in Porth.**



● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Safe and Happy Customers

● Safe and Happy Homes

● Safe and Happy Places

● Safe and Happy Colleagues

● Safe and Happy Future

● Our Governance

● The Board ▾

● Our Finances ▾

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

## Investment of £21 million into our homes

**Over the past year, we invested £21 million to enhance our housing stock, ensuring our homes are safe, warm, and dry while improving living conditions for our customers. This investment facilitated the development of new, affordable, and sustainable homes in Bridgend and funded upgrades to our existing homes.**

Key improvements include installing 158 new roofs, completing 100 electrical projects, and fitting 172 new kitchens. We also replaced 178 internal doors, installed 105 fire safety doors, and fitted 196 new boilers to keep homes warm.

Additionally, we provided 99 new bathrooms and made 53 significant adaptations along with 198 smaller modifications, such as handrails, to better meet our customers' needs and enhance their overall comfort.



## Closure of older person accommodation

**Following a period of consultation and engagement with our customers, we decided to decommission Dinam Close, Nantymoel, as a provision of older person accommodation.**

Discussions have started with Bridgend County Borough Council and other partners to explore options for redeveloping the site for new social housing, depending on funding, site investigations, planning, and community engagement.

The decommissioning process was conducted with care and support for all customers, ensuring they were financially compensated for the loss of their home and assisted in moving and settling into another home.

# 20th Year in more detail – Safe and Happy Places

● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Safe and Happy Customers

● Safe and Happy Homes

● Safe and Happy Places

● Safe and Happy Colleagues

● Safe and Happy Future

● Our Governance

● The Board ▾

● Our Finances ▾

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

We have an important role to play in our communities. We want to be placemakers, working with people to ensure neighbourhoods are safe, attractive and connected.

We want to ensure that we engage with our customers so we can make the greatest impact. Here are a few of the great projects we've been working on:



## Making the most of our Green Spaces

**To help protect our environment and enhance our local green areas, we've reached out to the Bridgend community to gather ideas and feedback on how we can better utilise these spaces.**

Here are some of the ideas we're considering:

- **Growing fresh food and orchards:** Picking apples or harvesting vegetables from a community garden right here in Bridgend.
- **Creating tiny forests:** Transforming small green areas into mini-forests with pathways and learning spaces where people can discover the wonders of nature.
- **Planting native shrubs and trees:** Introducing more native plants to support local wildlife and create a thriving ecosystem.
- **Establishing allotments and food gardens:** Making it easier for residents to grow their food with raised beds and sheds.

We believe that the best projects involve the community's input and participation. Once we have gathered feedback, we will identify funding opportunities to breathe life into these initiatives and ensure they thrive.

# 20th Year in more detail – Safe and Happy Places

● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Safe and Happy Customers

● Safe and Happy Homes

● Safe and Happy Places

● Safe and Happy Colleagues

● Safe and Happy Future

● Our Governance

● The Board ▾

● Our Finances ▾

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

## Supporting our communities at Christmas

In December we were thrilled to have been part of three successful local initiatives aimed at making a positive impact in our community:

- **Bridgend Council Santa Appeal:** We collected cash donations and new, unwrapped gifts to ensure every child in Bridgend received a present on Christmas morning.
- **Age Cymru Gift Box Appeal:** We gathered shoe boxes filled with thoughtful gifts, which were delivered by Age Cymru to brighten the holidays for older community members.
- **Bridgend Food Bank Collection:** Continuing our support for Bridgend Food Bank, we collected non-perishable food items, festive extras, and non-food items to assist those in need during the festive season.

## Enhancing local connectivity

Thanks to a joint effort between Caerau Skyline, The Green Valleys, ourselves, and EU funding of up to £15,000, we improved the footpath and connections of Cymmer Road, North Street, and Victoria Street in Caerau, Bridgend.

The footpath was extended and upgraded for convenience and safety, with added handrails for support. We also cleared obstructing shrubs and installed benches for residents to enjoy the stunning views of Llynfi Valley.

This collaboration reflects our commitment to investing in the communities we serve, making them more attractive places to live.



● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Safe and Happy Customers

● Safe and Happy Homes

● Safe and Happy Places

● Safe and Happy Colleagues

● Safe and Happy Future

● Our Governance

● The Board ▾

● Our Finances ▾

● Independent Auditor's Report

● Our Registered Office

● Contact Us

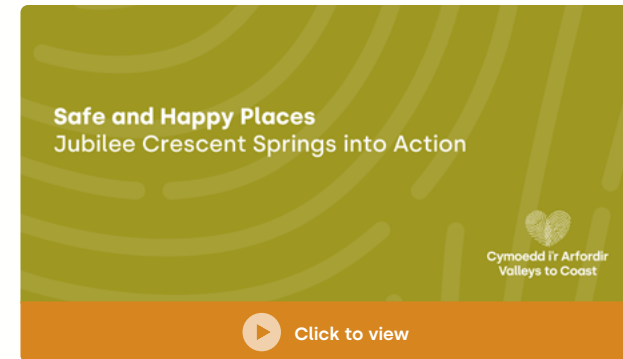
● Financial Report

## Jubilee Crescent Community Gardens

**The Jubilee Estate caught our attention because we received reports of fly-tipping and noticed more waste being dumped in open spaces. Residents, councillors, and our care taking team all raised concerns about the situation. With these reports coming in, it was clear we needed to step in and make improvements to the area.**

We started by taking a careful look around Jubilee Crescent and Queens Avenue to see what needed fixing up. After that, we had some important talks with Bridgend Council about managing waste better, which led to our team taking proactive steps to tackle environmental issues and make everything tidier. Plus, we teamed up with residents to make plans and get things done together, which helped everyone feel more involved.

People in the community got involved through chats and events, and they liked seeing the progress we made. When we organised skip days, we managed to clear a lot of waste, showing that our efforts were making a real difference. By working together with different groups, we improved how the area looks and feels contributing to our bigger goal to make our communities better places to live.



# 20th Year in more detail – Safe and Happy Colleagues

● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Safe and Happy Customers

● Safe and Happy Homes

● Safe and Happy Places

● **Safe and Happy Colleagues**

● Safe and Happy Future

● Our Governance

● The Board ▾

● Our Finances ▾

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

**Recognising the importance of a supportive work environment, we have implemented new ways of working to ensure that flexibility remains a key part of our organisation.**

## New ways of working | Cultural roadmap

In our ever-evolving landscape, we're committed to not only enhancing our services for customers but also creating a modern and inclusive workplace. Recognising the importance of flexibility and work-life balance, we've implemented innovative practices to attract diverse talent and create a thriving environment for our team.

To adapt to the needs of our workforce, we've introduced "early finish Fridays" for our trade colleagues and a "nine-day fortnight" for office-based colleagues. These initiatives maintain the same number of working hours per week but offer extended days to allow for more time to recharge and enjoy personal pursuits.

By embracing modern working practices, we aim to not only attract top talent from diverse backgrounds but also establish ourselves as an employer of choice, dedicated to providing a fulfilling and supportive workplace for all.



## 20th birthday conference

At our birthday conference, we had the chance to celebrate not just our 20 years of success, but more importantly, the incredible contributions of our colleagues. Without them, none of our achievements would have been possible. They are truly our greatest assets, driving us forward every step of the way.

The conference wasn't just about looking back; it was also a pivotal moment to launch our EDI journey. We believe in equality, diversity, and inclusion, and we're committed to creating an environment where every voice is heard and valued.

So, as we celebrated our past accomplishments, we also looked ahead with excitement, knowing that with our dedicated colleagues leading the way, there's no limit to what we can achieve in the future.



● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Safe and Happy Customers

● Safe and Happy Homes

● Safe and Happy Places

● Safe and Happy Colleagues

● Safe and Happy Future

● Our Governance

● The Board ▾

● Our Finances ▾

● Independent Auditor's Report

● Our Registered Office

● Contact Us

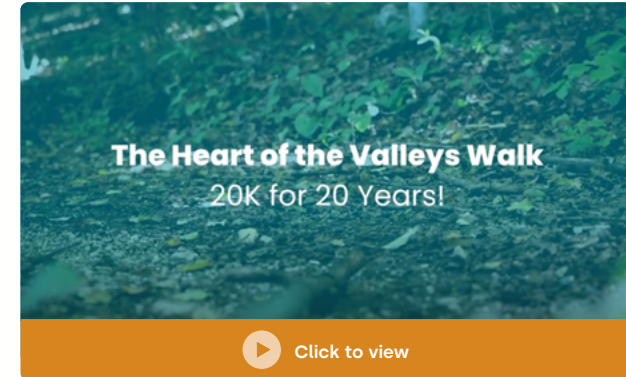
● Financial Report

## Double shortlist at the Welsh Housing Awards

**We were thrilled that our efforts were recognised with two shortlisted nominations at the Welsh Housing Awards 2023.**

We were shortlisted for the Supporting Communities Award, recognising our outstanding work on the Jubilee Crescent Community Action Plan project. Through this initiative, we've seen remarkable improvements in our community, including cleaner surroundings, improved waste recycling, and increased resident engagement.

Additionally, our graduate Joe Stockley was shortlisted for the Young Achiever in Housing Award. Joe's contributions have been invaluable, particularly in advancing sustainability projects and promoting best practices in customer engagement for de-carbonisation.



## We walked 20km to mark 20 years!

**We kicked off our 20th birthday celebrations with a charitable 20-kilometre walk as part of the national Hiking for Housing challenge. The event involved 12 Welsh housing associations, aiming to raise funds for various Welsh charities and causes.**

Our colleagues trekked from Ogmores Valley to Bridgend town to support our charity of the year, Y Bwthyn Newydd, a specialised palliative care service situated on the grounds of the Princess of Wales Hospital in Bridgend.

The event was supported by Community Housing Cymru. We raised an impressive £3,500 and were able to hand over the donation to the charity at our Birthday Conference in September.

● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Safe and Happy Customers

● Safe and Happy Homes

● Safe and Happy Places

● Safe and Happy Colleagues

● Safe and Happy Future

● Our Governance

● The Board ▾

● Our Finances ▾

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

## Recognition at TPAS Cymru Good Practice Awards

We are proud of our success at the TPAS Cymru Good Practice Awards, where our Community Engagement Team secured second place in the 'Communication and Engagement Approach' category for their innovative 'Pop Up' engagement approach. This initiative facilitated open conversations and improved communication with the local community.

Additionally, two of our dedicated customer volunteers, Debbie and Sarah, were honoured with the prestigious 'Judges Special Recognition Award' for their efforts in running Wildmill Youth Club, providing a safe and supportive space for young people in the community. These achievements highlight our commitment to meaningful engagement and making a positive impact in our communities.



# 20th Year in more detail – Safe and Happy Future

● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

- Safe and Happy Customers
- Safe and Happy Homes
- Safe and Happy Places
- Safe and Happy Colleagues
- Safe and Happy Future

● Our Governance

● The Board ▾

● Our Finances ▾

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

**We're committed to sustainability because we believe it's crucial for our community and the planet. We're working to become carbon neutral by 2030 and make Bridgend and Wales better places to live. Here is what we are doing to support these sustainability commitments:**

## Energy Efficiency and Carbon Reduction

- We participate in retrofitting existing homes to improve energy efficiency. This includes installing better insulation, energy-efficient windows, and upgrading heating systems.
- We integrate renewable energy technologies like solar panels into our homes to reduce reliance on fossil fuels and lower carbon emissions.

## Streamlined Energy and Carbon Reporting (SECR)

| UK Energy Use | Unit       | 2023/24           |
|---------------|------------|-------------------|
| Electricity   | KWh        | 48,449,963        |
| Gas           | Kwh        | 38,010,837        |
| Transport     | Kwh        | 1,001,526         |
| <b>Total</b>  | <b>Kwh</b> | <b>87,462,326</b> |

## Green house gases

|                                 |  |               |
|---------------------------------|--|---------------|
| Electricity                     | Tonnes CO <sub>2</sub><br>(Scope 2 only) | 8,718         |
| Gas                             | Tonnes CO <sub>2</sub><br>(Scope 1 only) | 6,393         |
| Transport                       | Tonnes CO <sub>2</sub>                   | 306           |
| <b>Total</b>                    | <b>Tonnes CO<sub>2</sub></b>             | <b>15,417</b> |
| Intensity Ratio                 |  | 38.17         |
| GHG Emissions per £m of revenue | Tonnes CO <sub>2</sub>                   | 403.9035892   |

## Sustainable new developments

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



# 20th Year in more detail – Safe and Happy Future

● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Safe and Happy Customers

● Safe and Happy Homes

● Safe and Happy Places

● Safe and Happy Colleagues

● Safe and Happy Future

● Our Governance

● The Board ▾

● Our Finances ▾

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

## Supporting community initiatives

- We support local community initiatives aimed at promoting sustainability, such as community gardens, recycling programs, and energy-saving workshops.
- We educate our customers about energy efficiency and sustainable living practices, helping to reduce energy consumption and improve environmental awareness.

## Affordable and quality housing

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

## Innovation and technology

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

## Local development and planning

- We work closely with Bridgend County Borough Council and other local authorities to align

housing developments with local sustainability goals and their Local Development Plan (LDP).

- We support initiatives like the district heat network in Bridgend, which provides low-carbon heating solutions to homes.

## Examples of our initiatives

- **Bridgend Energy Pathfinder project:** Our involvement in this project aims to make homes more energy-efficient through retrofitting and the use of renewable energy sources.
- **De-carbonisation Projects:** We have undertaken projects specifically aimed at reducing carbon emissions from our housing stock, contributing to Wales' goal of net-zero carbon by 2050.

## Our office commitments

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

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

# Our Governance

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

**The Company adopts the Community Housing Cymru (CHC) Code of Governance 2021. The Association's compliance with the code is monitored on an ongoing basis and formally reported to the Board annually. The most recent review of compliance with the 2021 Code of Governance, considered by the Board at its meeting in November 2023, indicated that the organisation, in all material respects, remained compliant with the principal recommendations of the Code of Governance.**

With regards to the Regulatory Framework, the most recent regulatory judgement for Valleys to Coast was issued by the Welsh Government in December 2022. Valleys to Coast received a rating of 'green' compliant indicating that the association meets the regulatory standards and will receive routine regulatory oversight in respect of both governance (including service delivery) and financial viability. On the following pages, the Board reports on how it seeks to continue to achieve effective housing association governance.



# The Board - Meet the Team

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
  - Meet the Team
  - Committees
  - Responsibilities
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

**The Board comprised of ten non-executive members, as of March 2024, and they are collectively responsible for managing the affairs of the Company. The Board meets at least four times per year for regular business and also meets to discuss strategic direction, undertake in-depth reviews, and for members' training.**

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

## Meet the Team

Board Members (who held office throughout the year and to the signing of the Annual report and Accounts).

### Independent Board members

- Amanda Davies - Chair<sup>1</sup>
- Anthony Whittaker - Chair<sup>2</sup>
- Joanne Smith - Vice Chair
- Mark Doubler<sup>3</sup>
- Derek Hobbs
- Richard Jenkins<sup>4</sup>
- Caroline Jones
- Tara King
- Sharon Lee
- Gill Lewis<sup>5</sup>
- Joy Ogeh-Hutfield
- Sophie Taylor<sup>6</sup>
- Andrew Wallbridge
- Mark Woloshak

### The Executive Team

As of 31 March 2024 were;

- Joanne Oak** - Group Chief Executive,
- Darrin Davies** - Executive Director of Development, Assets and Sustainability,
- Emma Howells** - Executive Director of Housing, Communities and Customers,
- Huw Lewis** - Executive Director of Finance and Corporate Services,
- David Clapham** - Executive Director of Finance and Corporate Services<sup>7</sup>.

<sup>1</sup> Amanda was appointed as a Board Member and Chair of the Board effective from 1st April 2024. <sup>2</sup> Anthony Whittaker retired as Chair of the Board on 31st March 2024. <sup>3</sup> Mark Doubler was appointed to the Valleys to Coast Board on 17 July 2023 and resigned 19 June 2024. <sup>4</sup> Richard Jenkins was appointed to the Valleys to Coast Board on 17 July 2023 and as a Llanw Board Director on 1st April 2024. <sup>5</sup> Gill Lewis was appointed as a co-opted Member of the Board on 11 July 2024. <sup>6</sup> Sophie Taylor resigned on 24 June 2024. <sup>7</sup> David Clapham resigned on 14 October 2024.

# The Board - Committees

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Meet the Team
- Committees
- Responsibilities
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

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

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

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

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

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

**Risk response:** The action that will be taken to manage, monitor or mitigate the risk.

**Policy setting:** Where risk levels and responses can be determined, internal policies are established.

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

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

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

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

# The Board - Committees

● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Our Governance

● The Board ▾

● Meet the Team

● Committees

● Responsibilities

● Our Finances ▾

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

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

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

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

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



# The Board - Statement of Board's responsibilities

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
  - Meet the Team
  - Committees
  - Responsibilities
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

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

Select suitable accounting policies and then apply them consistently;

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

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

The Board is responsible for maintaining an adequate system of internal control and keeping proper accounting records which disclose with

reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statement complies with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. It is also responsible for the safeguarding of assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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

The Annual General Meeting will be held on: **22nd August 2024.**

This statement was approved by the Board on 5th August 2024 and signed on behalf of the Board by:



**Amanda Davies**  
Chair of the Board



# Our Finances - Performance of the Year

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
  - Performance for the Year
  - Value for Money
  - Key Performance Indicators
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

**The Board reports a surplus for the year before actuarial gains of £2.065m as shown in the statement of comprehensive income, and net assets of £49.3m as reported in the statement of financial position.**

During the year the Company invested £7.89m (2023: £5.69m) on planned repairs and improvement of housing homes. Details of changes to the Company's fixed assets are shown in notes 10, 11 and 12 to the financial statements.

During the 2023/4 financial year, we brought 43 new homes into management. Going forward we currently have 79 homes on-site and 157 homes in the pipeline which we hope to develop over the coming years.



## Liquidity

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

In 2021, we worked with Centrus Treasury Advisors to refinance. The Board approved this project, and after careful negotiation, the Company reduced its Weighted Average Cost of Capital (WACC) from 4.53% in April 2021 to an average of 3.43% post-refinance and ensured that ongoing liquidity targets were met. The WACC on 31st March 2024 was 3.375% our overall borrowing costs, which helps us keep enough money available for our operations.

During the financial year 2023/24 we secured additional long term funding from the Welsh Government of £5m at a rate of 3% over 30 years. The additional funding will support the development of an additional 44 homes of accommodation and also contribute to environmental improvement works over the next 5 years.

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

● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Our Governance

● The Board ▾

● Our Finances ▾

● Performance for the Year

● Value for Money

● Key Performance Indicators

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

## Key Accounting Policies

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

Based on this review, the Board considers it appropriate to draw up the financial statements on a going-concern basis. Further analysis on this is provided in Note 1 to the financial statement on page 45 .

## Remuneration

### Policy

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

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

### Service contracts

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

### Pensions

All members of the Executive Team were ordinary members of a defined contribution SHPS pension scheme as of 31st March 2024. The Executive Team participates in the scheme on the same terms as all other eligible colleagues. The company contributes to the schemes on behalf of its employees.

### Other benefits

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



# Our Finances - Value for Money

● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Our Governance

● The Board ▾

● Our Finances ▾

● Performance for the Year

● Value for Money

● Key Performance Indicators

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

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

#### Our VFM goals are to:

- Improve our operating margin and achieve better operating efficiencies.
- Continuously develop new development and treasury strategies to improve our housing stock and support a fair share of the sector's ambition to build 20,000 new homes in Wales. Our ambition is to develop 1,000 new homes by 2034.
- Have sufficient resources available to adequately invest in our asset management and technology improvement strategies.

#### To do this we will:

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

#### We will also consider:

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

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

# Our Finances - Value for Money

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
  - Performance for the Year
  - Value for Money
  - Key Performance Indicators
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## Our suppliers

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

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

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

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



# Our Finances - Key Performance Indicators

● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Our Governance

● The Board ▾

● Our Finances ▾

● Performance for the Year

● Value for Money

● Key Performance Indicators

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

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

|  | 2023/24<br>Actual | 2023/24<br>Target | 2022/23<br>Actual | 2021/22<br>Actual |
|--|-------------------|-------------------|-------------------|-------------------|
| Arrears  | 2.63%             | <b>2.67%</b>      | 2.55%             | 2.54%             |
| Empty homes loss percentage (%)  | 1.78%             | <b>1.43%</b>      | 2.20%             | 2.90%             |
| Annual housing management cost per home                                      | £1,945            | <b>£2,413</b>     | £1,460            | £631              |
| Annual total cost of maintenance per home (revenue)                          | £2,005            | <b>£1,691</b>     | £1,491            | £1,936            |
| Annual total cost of planned maintenance and improvements per home (capital) | £1,392            | <b>£1,499</b>     | £943              | £868              |
| Total maintenance and improvement costs per home (revenue and capital)       | £3,303            | <b>£3,190</b>     | £2,435            | £2,804            |

- **Arrears** – The total value of current tenant arrears at the year-end (net of unpaid direct Housing Benefit) as a percentage of the annual rent debit – Arrears at 2.63% are lower than the target of 2.67%.

- **Empty homes loss percentage** – The cumulative value of void loss as a percentage of the annual rent debit – Losses from empty homes at 1.78% is higher than the target of 1.43%.

# Our Finances - Key Performance Indicators

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
  - Performance for the Year
  - Value for Money
  - Key Performance Indicators
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

- **Annual housing management cost per home** – The housing management cost per home provides a measure of how efficient the company is in terms of the management of the portfolio of tenanted properties. It includes all direct salary costs for housing management staff, together with costs such as insurance, tenant participation, costs of rent collection as well as a fair apportionment of overhead and office costs. It does not include estate costs which could be recovered through the charging of service costs. The actual cost per home at £1,945 is broadly in line with the budget assumption for the year. The reason for the large change compared with previous years is due to mapping and classification changes.

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

- **Annual total cost of maintenance per home (revenue and capital)** – The total cost of maintenance per home provides a measure of the level of investment required to maintain our stock. It includes all routine and cyclical maintenance and the cost of major repairs and improvements, charged to the Income and Expenditure Account (revenue) or charged to the Balance Sheet (capital). The total maintenance cost (revenue and capital) per home at £3,303 is slightly higher than the budget assumption for the year and reflects the receipt of grant funding which has allowed for a higher level of expenditure.



● About us

● Hello

● 20th Year Snapshot

● 20th Year Detailed ▾

● Our Governance

● The Board ▾

● Our Finances ▾

● Performance for the Year

● Value for Money

● Key Performance Indicators

● Independent Auditor's Report

● Our Registered Office

● Contact Us

● Financial Report

## Statement of financial position and debt

**The Company's financial instruments include cash, short-term investments, and borrowings. Regarding liquidity, as the improvement and the provision of housing is a long-term business: the Company's policy is to use medium and long-term loans to fund them. As of March 31st 2024, the total loan facility was £86million, consisting of:**

- A £15million variable rate revolving credit facility (RCF) from Lloyds Bank. We can borrow, repay, and borrow again until November 2026. There's an option to extend it for two more years. This loan is linked to ESG (Environment, Social, Governance) goals, showing our commitment to making our organisation better through our financial choices.
- A £25million fixed-rate Note Purchase Agreement with M&G Investments, which must be fully paid back by March 2045.
- A £10million fixed-rate Note Purchase Agreement with M&G Investments, which must be fully paid back by March 2052.
- A £1million Interest-Free Loan from the Welsh Government, due to be repaid in March 2025.
- A £35million fixed-rate bond issue (bLEND) through THFC, maturing in May 2054 and due to be repaid in March 2054.

## Treasury management

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

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

We believe effective treasury management supports our business goals. We're committed to getting the best value from our treasury activities while managing risks effectively. Our treasury function isn't meant to make a profit, and we don't engage in speculative transactions.

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

Our policy aims for a balanced mix of fixed and variable-rate borrowings. Currently, none of our £71 million in drawn loan facilities are at a variable rate.

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

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## Corporate Governance

**In addition to our audit on the financial statements for the year ended 31st March 2024, we have reviewed the Board's statement of Valleys to Coast Housing Limited ('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 page 26, 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 LLP

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

Date: August 22nd, 2024

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Valleys to Coast Housing Limited for the year ended 31st March 2024 which comprise the association's Statements of Comprehensive Income, the association's Statements of Financial Position, the association's Statements of Changes in Reserves, the Statement of Cash Flows and related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the association's affairs as at 31st March 2024 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; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the

Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

### Basis for opinion

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

### Conclusions relating to going concern

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

- The Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board has not disclosed in the financial statements any identified material uncertainties that may test significant doubt about the association's ability to continue to adopt the going



# Independent Auditor's Report

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

- concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The Board is responsible for the other information. The other information comprises the information included in the strategic report and the report of the Board, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

## Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on page 26, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the 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



# Independent Auditor's Report

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

## Identifying and assessing potential risks related to irregularities

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

- Enquiring of management, including obtaining and reviewing supporting documentation, concerning the association'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.

# Independent Auditor's Report

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

- 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;
- addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and

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

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

## Use of our report

This report is made solely to the association's members as a body in accordance with Part 7 of the Cooperative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the 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 LLP

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

Date: August 22nd, 2024

# Our Registered Office

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- **Our Registered Office**
- Contact Us
- Financial Report

## Our Registered Office

Tremains Business Park  
Tremains Road  
Bridgend  
CF31 1TZ

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

## Our External Auditors

### Bevan Buckland LLP

Cardigan House Castle Court  
Swansea Enterprise Park  
Llansamlet  
Swansea  
SA7 9LA

## Our Internal Auditors

### Barcud Shared Services

2 Alexandra Gate  
Ffordd Pengam  
Cardiff  
CF24 2SA

## Our Bankers

### Lloyds Banking Group

Commercial Banking  
St William House  
Tresilian Terrace  
Cardiff  
CF10 5BH

## Our Solicitors

### Capital Law

Tyndall Street  
Cardiff  
CF10 4AZ

### Blake Morgan LLP

One Central Square  
Cardiff  
CF10 1FS

### Hugh James

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

### Acuity Law LLP

3 Assembly Square  
Cardiff  
CF10 4PL

## Our Funders

### Lloyds Bank Plc

3rd Floor  
10 Gresham Street  
London  
EC2V 7AE

### M&G Investments

10 Fenchurch Street  
London  
EC3M 5AG

### bLEND

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

# Contact Us

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

**Call us:** 0300 123 2100

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

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

Follow us on our socials:



## Supporting you with this document

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

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## Statement of Comprehensive Income for the year ended 31 March 2024

|   | Note      | 2024 - £'000 | 2023 - £'000 |
|---|-----------|--------------|--------------|
| <b>Turnover</b>   | 3a        | 38,170       | 34,462       |
| Operating Costs   | 3a        | (35,050)     | (30,569)     |
| Surplus on Disposal of Property, Plant and Equipment                    | 4         | 212          | 376          |
| <b>Operating Surplus</b>  | <b>3a</b> | <b>3,332</b> | <b>4,269</b> |
| Interest Receivable   |           | 614          | 120          |
| Interest and Financing Costs  | 5         | (1,869)      | (2,106)      |
| <b>Surplus for the year on ordinary activities before TAX</b>           |           | <b>2,077</b> | <b>2,283</b> |
| Taxation on surplus for the year  | 6         | (12)         | (33)         |
| <b>Surplus for the year after TAX</b>                                   |           | <b>2,065</b> | <b>2,250</b> |
| Total Actuarial Losses  | 24        | (1,030)      | (541)        |
| <b>Total comprehensive income for the year</b>                          |           | <b>1,035</b> | <b>1,709</b> |
| The company's turnover and expenses all relate to continuing operations |           |              |              |

## Statement of Changes in Reserves at 31 March 2024


| Statement of changes in reserves at March 2024 | Revenue/Reserve - £'000 |
|--|-------------------------|
| At 31 March 2023                               | 48,232                  |
| Surplus for the year                           | 2,065                   |
| Total Actuarial Losses                         | (1,030)                 |
| <b>At 31 March 2024</b>                        | <b>49,267</b>           |

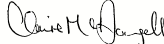
- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## Statement of financial position at 31 March 2024

|   | Note | 2024 - £'000   | 2023 - £'000   |
|---|------|----------------|----------------|
| <b>Fixed Assets</b>                                     |      |                |                |
| Intangible Assets                                       | 10   | 595            | 337            |
| Housing Properties                                      | 11   | 164,411        | 150,217        |
| Other Property, Plant and Equipment                     | 12   | 459            | 505            |
| Investments - Homebuy Loans Receivable                  | 13   | 766            | 706            |
|   |      | <b>166,231</b> | <b>151,765</b> |
| <b>Current Assets</b>                                   |      |                |                |
| Inventories   | 14   | 62             | 373            |
| Trade and Other Debtors                                 | 15   | 5,818          | 5,622          |
| Cash and Cash Equivalents                               | 23   | 15,724         | 18,879         |
|   |      | <b>21,604</b>  | <b>24,874</b>  |
| Creditors: Amounts falling due within one year          | 16   | (10,269)       | (9,714)        |
| <b>Net Current Assets</b>                               |      | <b>11,335</b>  | <b>15,160</b>  |
| <b>Total Assets Less Current Liabilities</b>            |      | <b>177,566</b> | <b>166,925</b> |
| Creditors: Amounts falling due after more than one year | 17   | (72,797)       | (73,847)       |
| Social Housing and other government grants              | 18   | (54,507)       | (43,986)       |
| SHPS Pension Liability                                  | 24   | (995)          | (860)          |
| <b>Net Assets</b>                                       |      | <b>49,267</b>  | <b>48,232</b>  |
| <b>Capital and Reserves</b>                             |      |                |                |
| Non-equity Share Capital                                | 20   | -              | -              |
| Comprehensive Income Account                            |      | 49,267         | 48,232         |
|   |      | <b>49,267</b>  | <b>48,232</b>  |

 Amanda Davies  
Chair of the Board

 Joanne Smith  
Board Member

 Claire McDougall  
Company Secretary



- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## Cash flow statement for the year ended 31 March 2024

|   | Note      | £'000    | 2024 - £'000   | £'000    | 2023 - £'000   |
|---|-----------|----------|----------------|----------|----------------|
| <b>Net cash generated from operating activities</b>             | 21        |          | 8,478          |          | 8,705          |
| <b>Cash Flows from investing activities</b>                     |           |          |                |          |                |
| Purchase of intangible assets                                   | 10        | (583)    |                | (301)    |                |
| Acquisition, construction and improvement of housing properties | 11        | (21,061) |                | (16,201) |                |
| Purchase of other Property, Plant and Equipment                 | 12        | (48)     |                | (31)     |                |
| Proceeds from sale of housing properties                        | 4         | 212      |                | 376      |                |
| Grants received   | 18        | 11,627   |                | 13,023   |                |
| Interest received   |           | 614      |                | 120      |                |
| <b>Net Cash Flows from investing activities</b>                 |           |          | <b>(9,239)</b> |          | <b>(3,014)</b> |
| <b>Cash Flows from financing activities</b>                     |           |          |                |          |                |
| Repayment of loans  | 22        | -        |                | (1,000)  |                |
| New secured loans   | 22        | -        |                | 10,000   |                |
| bLend Bond Premium  | 17        | -        |                | 1,649    |                |
| Loan arrangement and brokerage costs paid                       |           | -        |                | (2)      |                |
| Interest paid   |           | (2,394)  |                | (2,208)  |                |
| <b>Net Cash Flows from financing activities</b>                 |           |          | <b>(2,394)</b> |          | <b>8,439</b>   |
| <b>Net increase in cash and cash equivalents</b>                | <b>23</b> |          | <b>(3,155)</b> |          | <b>14,130</b>  |
| <b>Cash and cash equivalents at 1 April 2023</b>                | <b>23</b> |          | <b>18,879</b>  |          | <b>4,749</b>   |
| <b>Cash and cash equivalents at 31 March 2024</b>               | <b>23</b> |          | <b>15,724</b>  |          | <b>18,879</b>  |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## Cash flow statement for the year ended 31 March 2024

| Free Cash Flow  | Note      | 2024 - £'000 | 2023 - £'000 |
|---|-----------|--------------|--------------|
| <b>Net cash generated from operating activities</b>       | <b>21</b> | <b>8,478</b> | <b>8,705</b> |
| Interest paid   | 5         | (2,394)      | (2,208)      |
| Interest received   |           | 614          | 120          |
| <b>Adjustment for reinvestment in existing properties</b> |           |              |              |
| Component replacements                                    | 11        | (7,311)      | (5,395)      |
| <b>Free cash generated before loan repayments</b>         |           | <b>(613)</b> | <b>1,222</b> |
| Loans repaid (excluding refinancing)                      |           | -            | (1,000)      |
| <b>Free cash generated after loan repayments</b>          |           | <b>(613)</b> | <b>222</b>   |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## Notes to the financial statements for the year ended 31 March 2024

### 1. Accounting policies

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

#### a) General information and basis of accounting

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

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

#### b) Going concern

The financial statements have been prepared on a going concern basis, and in accordance with applicable accounting standards. The activities of the business are profitable, and the association's financial forecasts covering the short and medium term indicate that it will generate sufficient surpluses to meet its liabilities as they fall due.

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

As at March 2024, these financial statements are showing a net current asset position of £11,335k (2023: net current liabilities of £15,160k). The Board are comfortable that the business has sufficient funds in place to cover its liabilities as they fall due and believe that the net current asset position supports their view of the appropriateness of the use of the going concern assumption. Work is ongoing within the business to improve efficiency, Value for Money outcomes as well as improved debt recovery which will continue to maintain the net current asset position during 2024-2025.

The Company's business activities, its current financial position and factors likely to affect its future development are regularly considered by the Board. The Company has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Company's day to day operations.

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

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

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

### c) Turnover

Turnover represents rental and other income receivable, grants for supported housing and other revenue grants receivable. Rental income is accounted for in full weeks, subject to prorate for opening and closing positions in the financial year. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Revenue grants are receivable

when the conditions for receipt of agreed grant funding have been met. Amortisation of social housing and other government grants is accounted for in line with the accounting policy.

### d) Sales of properties and fixed asset investments

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

### e) Intangible assets

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

**Computer Software Development - 33.3%**

### f) Housing properties

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

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

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

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

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

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

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

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

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

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

## Improvements

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

## Leaseholders

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

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## g) Impairment of housing properties

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

An impairment review has taken place on all the Company's Housing Properties as at 31 March 2024 and it is felt that the properties are not impaired.

## h) Non-housing property, plant and equipment

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

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

## i) Inventories

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

## j) Social housing and other government grants

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

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

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

Where grant income is received as a contribution towards revenue expenditure, it is included in turnover.



- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## k) Recycling of grants

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

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

## l) Pension costs

The Company participates in three pension schemes:

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

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

The defined benefit pension liability is accounted for on a defined benefit basis.

Further disclosures relating to the SHPS defined benefit pension scheme can be found in Note 24.

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

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

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

## m) Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

## n) Financial instruments and loans

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

### Financial assets carried at amortised cost

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

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

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

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

### Financial liabilities carried at amortised cost

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

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

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

### Financing transactions

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

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## o) Operating leases

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

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

## p) Value added tax (VAT)

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

## q) 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.

## r) 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.

## s) Home-buy option

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

## t) Employee benefits

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

Termination costs are recognised as an expense in the period when we have agreed a contractual termination date.

## u) Reserves

Reserves represent the retained distributable earnings of Valleys to Coast housing association.

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

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

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

### a) Significant management judgements

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

#### Impairment of social housing properties

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

### b) Estimation uncertainty

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

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

#### Fair value measurement

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

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

#### Provisions

Provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## Defined benefit pension scheme

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

## Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in operating expenses.

## Recoverable amount of rental and other trade receivables

Management estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt. Please see note 15 for further information.

## Useful lives of depreciable assets

Tangible fixed assets are depreciated over their useful lives. Management reviews the useful lives of depreciable assets at each reporting date based on the expected utility of the assets.

Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes in home standards which may require more frequent replacement of key components.

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

## Social housing grant and other capital grants

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

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

|   | Turnover<br>£'000 | Operating<br>Costs £'000 | 2024<br>Operating<br>surplus<br>£'000 | Turnover<br>£'000 | Operating<br>Costs £'000 | 2023<br>Operating<br>surplus<br>£'000 |
|---|-------------------|--------------------------|---------------------------------------|-------------------|--------------------------|---------------------------------------|
| <b>Income and Expenditure from lettings</b>               |                   |                          |                                       |                   |                          |                                       |
| General Needs Housing Accommodation                       | 36,052            | (32,733)                 | 3,319                                 | 32,086            | (29,459)                 | 2,627                                 |
| Supported, Sheltered and Extra-Care Housing Accommodation | 756               | (1,701)                  | (945)                                 | 1,557             | (722)                    | 835                                   |
| <b>Fully Rented Housing Accommodation</b>                 | <b>36,808</b>     | <b>(34,434)</b>          | <b>2,374</b>                          | <b>33,643</b>     | <b>(30,181)</b>          | <b>3,462</b>                          |
| Commercial Property                                       | 212               | (21)                     | 191                                   | 178               | (84)                     | 94                                    |
| Garages and Garage Bases                                  | 176               | -                        | 176                                   | 186               | (10)                     | 176                                   |
| Development costs not capitalised                         | -                 | (62)                     | (62)                                  | -                 | (66)                     | (66)                                  |
| <b>Total from lettings</b>                                | <b>37,196</b>     | <b>(34,517)</b>          | <b>2,679</b>                          | <b>34,007</b>     | <b>(30,341)</b>          | <b>3,666</b>                          |
| Leaseholders  | 486               | (514)                    | (28)                                  | 101               | (96)                     | 5                                     |
| Other activities  | 488               | (19)                     | 469                                   | 354               | (132)                    | 222                                   |
|   | <b>38,170</b>     | <b>(35,050)</b>          | <b>3,120</b>                          | <b>34,462</b>     | <b>(30,569)</b>          | <b>3,893</b>                          |
| Surplus on disposal of Property, Plant and Equipment      | -                 | -                        | 212                                   | -                 | -                        | 376                                   |
|   | <b>38,170</b>     | <b>(35,050)</b>          | <b>3,332</b>                          | <b>34,462</b>     | <b>(30,569)</b>          | <b>4,269</b>                          |



- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

|  | General Needs Housing Accommodation £'000 | Supported, Sheltered and Extra-Care Housing Accommodation £'000 | 2024 Total £'000 | 2023 Total £'000 |
|--|---|---|------------------|------------------|
| <b>Income</b>  |   |   |                  |                  |
| Rent receivable  | 33,337                                    | 257   | 33,594           | 31,101           |
| Service charges receivable                                 | 1,233                                     | 499   | 1,732            | 1,508            |
| Grant for supported housing                                | -   | -   | -                | -                |
| Physical Adaptation Grant                                  | 319                                       | -   | 319              | -                |
| Tenant Recharges   | 175                                       | -   | 175              | 90               |
| Welsh Government Housing Finance                           | 59  | -   | 59               | 126              |
| Amortisation of social housing and other government grants | 929                                       | -   | 929              | 818              |
| <b>Turnover from social housing lettings</b>               | <b>36,052</b>                             | <b>756</b>  | <b>36,808</b>    | <b>33,643</b>    |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

|  | General Needs Housing Accommodation £'000 | Supported, Sheltered and Extra-Care Housing Accommodation £'000 | 2024 Total £'000 | 2023 Total £'000 |
|--|---|---|------------------|------------------|
| <b>Costs</b>                             |   |   |                  |                  |
| Housing management                       | 11,814                                    | -   | 11,814           | 8,744            |
| Housing services                         | 1,867                                     | 701   | 2,568            | 2,079            |
| Maintenance - reactive                   | 11,501                                    | 647   | 12,148           | 7,186            |
| Maintenance - cyclical                   | 27  | -   | 27               | 1,423            |
| Physical Adaptations                     | 256                                       | -   | 256              | 495              |
| Planned maintenance and major repairs    | 571                                       | -   | 571              | 3,388            |
| Depreciation of housing properties       | 5,890                                     | 353   | 6,243            | 6,093            |
| Depreciation of other fixed assets       | 419                                       | -   | 419              | 522              |
| Rent loss from bad debts                 | 388                                       | -   | 388              | 251              |
| <b>Operating costs on social housing</b> | <b>32,733</b>                             | <b>1,701</b>  | <b>34,434</b>    | <b>30,181</b>    |
| Operating surplus on social housing      | 3,319                                     | (945)   | 2,374            | 3,462            |
| Rent loss due to voids (memorandum note) | (653)                                     | (15)  | (668)            | (732)            |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

|                            | 2024 - £'000 | 2023 - £'000 |
|----------------------------|--------------|--------------|
| Sales proceeds             | 224          | 397          |
| Cost of sales              | (12)         | (21)         |
| <b>Surplus on disposal</b> | <b>212</b>   | <b>376</b>   |

#### 5. Interest and financing costs

|  | 2024 - £'000 | 2023 - £'000 |
|--|--------------|--------------|
| Loans and bank overdrafts                            | 2,394        | 2,208        |
| Net interests on defined benefit liability (note 24) | (525)        | (102)        |
|  | <b>1,869</b> | <b>2,106</b> |

#### 6. Tax on surplus on ordinary activities

| Current tax  | 2024 - £'000 | 2023 - £'000 |
|--|--------------|--------------|
| UK Corporation Tax on surplus for the year         | 12           | 33           |
| Adjustment in respect of prior years               | -            | -            |
| <b>Total tax on results on ordinary activities</b> | <b>12</b>    | <b>33</b>    |

The rate of corporation tax in the UK changed from 19% to 25% on 1 April 2023. The differences are explained as follows:

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

| Total tax reconciliation                       | 2024 - £'000 | 2023 - £'000 |
|--|--------------|--------------|
| Surplus on taxable activities before tax       | 63           | 174          |
| Theoretical tax at UK corporation tax rate 25% | 16           | 33           |
| Income not taxable                             | -            | -            |
| Non-deductible expenditure                     | -            | -            |
| Changing tax rates                             | -4           | -            |
| <b>Total tax on taxable activities</b>         | <b>12</b>    | <b>33</b>    |

## 7. Surplus on ordinary activities

| Surplus on ordinary activities is stated after charging:      | 2024 Total £'000 | 2023 Total £'000 |
|---|------------------|------------------|
| <b>Costs</b>  |                  |                  |
| Staff Costs   | 11,041           | 10,905           |
| Operating lease payments                                      | 697              | 259              |
| Depreciation of housing properties (Note 11)                  | 6,243            | 6,092            |
| Depreciation of intangible assets (Note 10)                   | 325              | 382              |
| Depreciation of other property, plant and equipment (Note 12) | 94               | 140              |
| Amortisation of government grants                             | (929)            | (818)            |
| <b>Auditors' remuneration (Inclusive of VAT):</b>             |                  |                  |
| In their capacity as auditors - current year                  | 14               | 30               |
| Prior year overrun fees                                       |                  |                  |
| In respect of other services - tax compliance                 | 3                | 3                |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## 8. Staff costs

| Staff costs including directors:  | 2024 Total £'000   | 2023 Total £'000   |
|---|--------------------|--------------------|
| <b>Costs</b>  |                    |                    |
| Wages and salaries  | 8,895              | 8,548              |
| Social security costs   | 871                | 882                |
| Other pension costs - Employer contributions  | 1,185              | 1,379              |
|   | <b>10,951</b>      | <b>10,809</b>      |
| In addition to the above were payments in respect of redundancy and discretionary rewards | 90                 | 97                 |
| <b>Average number of persons expressed as full time equivalents:</b>                      | <b>2024 number</b> | <b>2023 Number</b> |
| Management and administration   | 186                | 205                |
| Scheme co-ordinators, community caretakers and cleaners                                   | 13                 | 9                  |
| Housing Repair Service (operatives)   | 61                 | 64                 |
| <b>Total number of employees expressed as full time equivalents</b>                       | <b>260</b>         | <b>278</b>         |
| <b>Average number of employees during the year:</b>                                       |                    |                    |
| Management and administration   | 195                | 197                |
| Scheme co-ordinators, community caretakers and cleaners                                   | 15                 | 8                  |
| Housing Repair Service (operatives)   | 62                 | 62                 |
| <b>Average total number of employees</b>  | <b>272</b>         | <b>267</b>         |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## 9. Directors' emoluments

|   | 2024 - £'000 | 2023 - £'000 |
|---|--------------|--------------|
| <b>The remuneration paid to the directors and senior officers including the Chief Executive</b>                                   |              |              |
| Emoluments (including employer's pension contributions)   | 673          | 693          |
| <b>The emoluments of directors and senior officers disclosed above (excluding pension contributions) include amounts paid to:</b> |              |              |
| The highest paid director   | 150          | 127          |

Board members received remuneration totalling £59,665 (2023: £57,977) in the year.

| Board members            | 2024 - £'000  | 2023 - £'000  |
|--------------------------|---------------|---------------|
| Lisa Griffiths           | -             | 1,270         |
| Anthony Whittaker        | 9,000         | 9,000         |
| Mark Woloshak            | 4,714         | 5,500         |
| Joanne Smith             | 7,500         | 7,500         |
| Caroline Jones           | 5,500         | 5,500         |
| Sophie Taylor            | 5,542         | 5,540         |
| Andrew Wallbridge        | 4,786         | 4,000         |
| Tara King                | 4,000         | 4,000         |
| Joy Ogeh-Hutfield        | 4,000         | 4,000         |
| Derek Hobbs              | 4,044         | 4,000         |
| Sharon Lee               | 4,000         | 4,000         |
| Nicola Cole (Co-optee)   | -             | 1,417         |
| Philip Stokes (Co-optee) | 897           | 2,250         |
| Mark Doubler             | 2,841         | -             |
| Richard Jenkins          | 2,841         | -             |
|                          | <b>59,665</b> | <b>57,977</b> |



- [About us](#)
- [Hello](#)
- [20th Year Snapshot](#)
- [20th Year Detailed](#) ▾
- [Our Governance](#)
- [The Board](#) ▾
- [Our Finances](#) ▾
- [Independent Auditor's Report](#)
- [Our Registered Office](#)
- [Contact Us](#)
- [Financial Report](#)

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

|                     | 2024 Number | 2023 Number |
|---------------------|-------------|-------------|
| £60,001 - £70,000   | 10          | 2           |
| £70,001 - £80,000   | 3           | 4           |
| £80,001 - £90,000   | 2           | -           |
| £90,001 - £100,000  | -           | 1           |
| £100,001 - £110,000 | 2           | -           |
| £110,001 - £120,000 | -           | -           |
| £120,001 - £130,000 | -           | 1           |
| £150,001 - £160,000 | 1           | -           |
|                     | <b>18</b>   | <b>8</b>    |

Expenses paid during the year to Board Members amounted to £86 (2023: £41).

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## 10. Intangible assets

|                         | Computer Software £'000 |
|-------------------------|-------------------------|
| <b>Cost</b>             |                         |
| At 1 April 2023         | 4,076                   |
| Additions               | 583                     |
| Disposals               | -                       |
| <b>At 31 March 2024</b> | <b>4,659</b>            |
| <b>Depreciation</b>     |                         |
| At 1 April 2023         | 3,739                   |
| Charge for the year     | 325                     |
| Eliminated on disposals | -                       |
| <b>At 31 March 2024</b> | <b>4,064</b>            |
| <b>Net book value</b>   |                         |
| <b>At 31 March 2024</b> | <b>595</b>              |
| At 31 March 2023        | 337                     |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## 11. Housing properties

|                              | Housing Properties held for letting £'000 | Housing Properties under construction £'000 | Housing Properties Total £'000 |
|------------------------------|---|---|--------------------------------|
| <b>Cost</b>                  |   |   |                                |
| At 1 April 2023              | 211,496                                   | 8,307                                       | 219,803                        |
| Additions                    | 8,984                                     | 12,077                                      | 21,061                         |
| Transferred on Completion    | 4,880                                     | (4,880)                                     | -                              |
| Write off prior year balance | -   | -   | -                              |
| Abortive Development Costs   | -   | -   | -                              |
| Disposals                    | (1,570)                                   | -   | (1,570)                        |
| <b>At 31 March 2024</b>      | <b>223,790</b>                            | <b>15,504</b>                               | <b>239,294</b>                 |
| <b>Depreciation</b>          |   |   |                                |
| As at 1 April 2023           | (69,586)                                  | -   | (69,586)                       |
| Charge for the year          | (6,243)                                   | -   | (6,243)                        |
| Eliminated on disposals      | 946                                       | -   | 946                            |
| <b>At 31 March 2024</b>      | <b>(74,883)</b>                           | <b>-</b>                                    | <b>(74,883)</b>                |
| <b>Net book value</b>        |   |   |                                |
| <b>At 31 March 2024</b>      | <b>148,907</b>                            | <b>15,504</b>                               | <b>164,411</b>                 |
| At 31 March 2023             | 141,910                                   | 8,307                                       | 150,217                        |

Housing and other properties held for letting comprise:

|  | 2024 - £'000   | 2023 - £'000   |
|--|----------------|----------------|
| Improvements to freehold land and buildings          | 81,710         | 86,790         |
| Purchases of freehold properties and new development | 67,197         | 55,120         |
|  | <b>148,907</b> | <b>141,910</b> |

Capitalised interest costs of £100,418 (2023: £188,254) are included in Housing Properties.

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

Major repairs and improvement expenditure on existing properties during the year amounted to £7,882,000 (2023: £5,686,000). This has been accounted for as follows:

|  | 2024 - £'000 | 2023 - £'000 |
|--|--------------|--------------|
| <b>Planned maintenance and major repairs (revenue)</b> | <b>571</b>   | <b>291</b>   |
| <b>Improvements (capital)</b>                          | <b>7,311</b> | <b>5,395</b> |

## 12. Other property, plant and equipment

|                         | Office Improvements<br>£'000 | Furniture, Fixtures & Fittings<br>£'000 | Computers & Office Equipment<br>£'000 | Plant & Tools<br>£'000 | Vehicles<br>£'000 | Total<br>£'000 |
|-------------------------|------------------------------|---|---------------------------------------|------------------------|-------------------|----------------|
| <b>Cost</b>             |                              |   |                                       |                        |                   |                |
| At 1 April 2023         | 780                          | 388                                     | 1,212                                 | 81                     | 9                 | 2,470          |
| Additions               | -                            | -                                       | 47                                    | 1                      | -                 | 48             |
| Disposals               | -                            | -                                       | -                                     | -                      | -                 | -              |
| <b>At 31 March 2024</b> | <b>780</b>                   | <b>388</b>                              | <b>1,259</b>                          | <b>82</b>              | <b>9</b>          | <b>2,518</b>   |
| <b>Depreciation</b>     |                              |   |                                       |                        |                   |                |
| As at 1 April 2023      | 563                          | 270                                     | 1,051                                 | 73                     | 8                 | 1,965          |
| Charge for the year     | 7                            | 16                                      | 68                                    | 3                      | -                 | 94             |
| Eliminated on disposals | -                            | -                                       | -                                     | -                      | -                 | -              |
| <b>At 31 March 2024</b> | <b>570</b>                   | <b>286</b>                              | <b>1,119</b>                          | <b>76</b>              | <b>8</b>          | <b>2,059</b>   |
| <b>Net book value</b>   |                              |   |                                       |                        |                   |                |
| <b>At 31 March 2024</b> | <b>210</b>                   | <b>102</b>                              | <b>140</b>                            | <b>6</b>               | <b>1</b>          | <b>459</b>     |
| At 31 March 2023        | 217                          | 118                                     | 161                                   | 8                      | 1                 | 505            |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

### 13. Investments

|                         | Grant £'000 | Non-Grant £'000 | Total £'000 |
|-------------------------|-------------|-----------------|-------------|
| <b>Cost</b>             |             |                 |             |
| At 1 April 2023         | -           | 706             | 706         |
| Additions               | -           | 60              | 60          |
| Disposals               | -           | -               | -           |
| <b>At 31 March 2024</b> | <b>-</b>    | <b>766</b>      | <b>766</b>  |

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

### 14. Inventories

|                       | 2024 - £'000 | 2023 - £'000 |
|-----------------------|--------------|--------------|
| LCHO Stock for resale | -            | 305          |
| Stock of materials    | 62           | 68           |
|                       | <b>62</b>    | <b>373</b>   |

### 15. Trade and other debtors

|   | 2024 - £'000 | 2023 - £'000 |
|---|--------------|--------------|
| <b>Amounts falling due within one year:</b> |              |              |
| Gross rent and service charge arrears       | 2,413        | 1,980        |
| Less: provision for bad debts               | (1,140)      | (1,173)      |
| <b>Net rent and service charge arrears</b>  | <b>1,273</b> | <b>807</b>   |
| Other debtors                               | 282          | 317          |
| Prepayments and accrued income              | 4,263        | 4,498        |
|   | <b>5,818</b> | <b>5,622</b> |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

|  | 2024 - £'000  | 2023 - £'000 |
|--|---------------|--------------|
| Loans (Note 19)                                      | 1,000         | -            |
| Trade creditors                                      | 3,942         | 3,363        |
| Other taxation and social security costs             | -             | 12           |
| Rent and service charges received in advance         | 756           | 738          |
| Retentions   | 645           | 607          |
| Social Housing and Other Government Grants (Note 18) | 1,184         | 1,014        |
| bLEND Bond Premium Amortisation                      | 133           | 133          |
| Accruals and deferred income                         | 2,609         | 3,847        |
|  | <b>10,269</b> | <b>9,714</b> |

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

|                                     | 2024 - £'000  | 2023 - £'000  |
|-------------------------------------|---------------|---------------|
| Loans due between 1 and 5 years     | -             | 1,000         |
| Loans due greater than 5 years      | 70,000        | 70,000        |
| Less deferred loan arrangement fees | (1,162)       | (1,245)       |
|                                     | 68,838        | 69,755        |
| bLEND Bond Premium                  | 3,848         | 3,981         |
| Recycled Capital Grant Fund         | 111           | 111           |
|                                     | <b>72,797</b> | <b>73,847</b> |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

|                             | 2024 - £'000 | 2023 - £'000 |
|-----------------------------|--------------|--------------|
| Recycled Capital Grant Fund |              |              |
| At 1 April 2023             | 111          | 89           |
| Additions (Note 18)         | -            | 22           |
| Disposals                   | -            | -            |
| <b>At 31 March 2024</b>     | <b>111</b>   | <b>111</b>   |

## 18. Deferred income - Government grants

|   | 2024 - £'000  | 2023 - £'000  |
|---|---------------|---------------|
| At 1 April 2013                                   | 45,000        | 32,893        |
| Grant Receivable                                  | 11,627        | 12,923        |
| PAG Receivable                                    | -             | 100           |
| Amortisation to Statement of Comprehensive Income | (929)         | (818)         |
| Grant Disposals                                   | (7)           | (98)          |
| Transferred to RCGF                               | -             | -             |
| <b>At 31 March 2024</b>                           | <b>55,691</b> | <b>45,000</b> |
|   |               |               |
| Due within one year                               | 1,184         | 1,014         |
| Due after one year                                | 54,507        | 43,986        |
|   | <b>55,691</b> | <b>45,000</b> |



- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## 19. Debt analysis

|  | 2024 - £'000 | 2023 - £'000 |
|--|--------------|--------------|
| <b>Housing Loans - due within one year</b>                         |              |              |
| Bank Loans   | 1,000        | -            |
| <b>Housing Loans - due after more than one year</b>                |              |              |
| Bank Loans - long term loan facility (Repayable within five years) | -            | 1,000        |
| Bank Loans - long term loan facility (Repayable after five years)  | 70,000       | 70,000       |

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

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

At 31 March 2024, the Company had undrawn loan facilities of £15million (2023: £15million). Commitment fees also apply at a rate of 0.42% on £15million of the undrawn balance. The value of assets used to secure the above facilities was £119million.

## 20. Non-equity share capital

|   | 2024 - £'000 | 2023 - £'000 |
|---|--------------|--------------|
| <b>Shares of £1 each fully paid and issued:</b> |              |              |
| At 1 April 2023                                 | 37           | 53           |
| Issued during the year                          | 2            | 1            |
| Cancelled during the year                       | (1)          | (17)         |
| <b>At 31 March 2024</b>                         | <b>38</b>    | <b>37</b>    |

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

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

|  | 2024 - £'000 | 2023 - £'000 |
|--|--------------|--------------|
| Operating surplus for the year                             | 3,332        | 4,269        |
| <b>Adjustments for non-cash items:</b>                     |              |              |
| Depreciation charges                                       | 6,662        | 6,615        |
| Amortisation of Social Housing and Other Government Grants | (929)        | (818)        |
| Amortisation of bLEND Premium                              | (133)        | (120)        |
| Capitalised Interest Costs                                 | (100)        | (188)        |
| Release of loan transaction fees                           | 83           | 83           |
| Net gain on the sale of fixed assets                       | (212)        | (376)        |
| Transfer to RCGF   | -            | 22           |
| Disposal of LCHO   | -            | 24           |
| Disposal of Fixed Assets                                   | 708          | 287          |
| LCHO equity  | (60)         | (195)        |
| Pension costs less contributions paid                      | (370)        | -            |
| Movement in bad debt provision                             | (33)         | (281)        |
| (Increase)/decrease in trade and other debtors             | (163)        | (2,794)      |
| Increase/(Decrease) in trade and other creditors           | (627)        | 2,138        |
| Decrease/(Increase) in stock                               | 311          | 23           |
| Taxation liability   | 12           | 33           |
| Other net movements  | (3)          | (17)         |
|  | <b>8,478</b> | <b>8,705</b> |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

|  | 2024 - £'000    | 2023 - £'000    |
|--|-----------------|-----------------|
| Increase in cash                             | (3,155)         | 14,130          |
| Cash outflow from repayment of debt          | -               | 1,000           |
| Cash inflow from increase in debt            | -               | (10,000)        |
| Change in net debt resulting from cash flows | (3,155)         | 5,130           |
| <b>Movement in net debt in the year</b>      |                 |                 |
| Net debt at 1 April 2023                     | (52,121)        | (57,251)        |
| <b>Net debt at 31 March 2024</b>             | <b>(55,276)</b> | <b>(52,121)</b> |

## 23. Analysis of changes in the net debt

|                                 | At 1 April 2023<br>£'000 | Cash Flows<br>£'000 | At 31 March 2024<br>£'000 |
|---------------------------------|--------------------------|---------------------|---------------------------|
| Cash at Bank and in hand        | 18,879                   | (3,155)             | 15,724                    |
| Loans - Long term loan facility | (71,000)                 | -                   | (71,000)                  |
|                                 | <b>(52,121)</b>          | <b>(3,155)</b>      | <b>(55,276)</b>           |

## 24. Pension obligation

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

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

Therefore, Valleys to Coast only actively participates in one defined benefit scheme, which is the LGPS pension scheme. Further information on the liabilities for both the LGPS and SHPS schemes is given below:

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

| Summary of Asset/(Liability): | 2024 - £'000 | 2023 - £'000 |
|-------------------------------|--------------|--------------|
| LGPS                          | -            | -            |
| SHPS                          | (995)        | (860)        |
| <b>Total Liability</b>        | <b>(995)</b> | <b>(860)</b> |

## SHPS - General information

The company participates in the Social housing Pension Scheme (the SHPS Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme. The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

The Scheme is a defined benefit scheme in the UK. As at 31 March 2024 there were no active members of the Scheme employed by the Company (2023: 0).

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

|   | 2024 - £'000 | 2023 - £'000 |
|---|--------------|--------------|
| Fair value of plan assets                         | 4,117        | 4,237        |
| Present value of defined benefit obligation       | (5,112)      | (5,097)      |
| <b>Defined benefit liability to be recognised</b> | <b>(995)</b> | <b>(860)</b> |

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

|   | 2024 - £'000 | 2023 - £'000 |
|---|--------------|--------------|
| Opening defined benefit obligation                        | 5,097        | 8,700        |
| Current service cost                                      | -            | -            |
| Expenses  | 13           | 13           |
| Interest Expense  | 244          | 239          |
| Member Contributions                                      | -            | -            |
| Actuarial losses due to scheme experience                 | 65           | (544)        |
| Actuarial gains due to changes in demographic assumptions | (49)         | (10)         |
| Actuarial gains due to changes in financial assumptions   | (149)        | (3,210)      |
| Adjustment for prior year actuarial assumption change     | -            | -            |
| Benefits paid out and expenses                            | (109)        | (91)         |
| <b>Closing defined benefit obligation</b>                 | <b>5,112</b> | <b>5,097</b> |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

|  | 2024 - £'000 |
|--|--------------|
| Opening fair value of assets             | 4,237        |
| Interest income on assets                | 209          |
| Experience on plan assets loss           | (513)        |
| Employer Contributions                   | 293          |
| Member Contributions                     | -            |
| Benefits paid and expenses               | (109)        |
| <b>Closing fair value of plan assets</b> | <b>4,117</b> |

## SHPS Scheme - Amounts recognised in the statement of comprehensive income

|  | 2024 - £'000 |
|--|--------------|
| <b>Operating cost</b>  |              |
| Current service cost   | -            |
| Expenses   | (13)         |
| <b>Financing Cost</b>  |              |
| Interest on net defined liability                                | (35)         |
| <b>Pension expense recognised in surplus for the year (SoCi)</b> | <b>(48)</b>  |

## SHPS Scheme - Amounts recognised in other comprehensive income

|   | 2024 - £'000 |
|---|--------------|
| Experience on plan assets   | (513)        |
| Experience gains and losses arising on the plan liabilities - loss  | (65)         |
| Effects of changes in the underlying demographic assumptions - gain | 49           |
| Effects of changes in the underlying financial assumptions - gain   | 149          |
| <b>Total amount recognised in Other Comprehensive Income - loss</b> | <b>(380)</b> |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## SHPS Scheme - Assets

|                               | 2024 - £'000 | 2023 - £'000 |
|-------------------------------|--------------|--------------|
| Global Equity                 | 410          | 79           |
| Absolute Return               | 161          | 46           |
| Distressed Opportunities      | 145          | 128          |
| Credit Relative Value         | 135          | 160          |
| Alternative Risk Premia       | 131          | 8            |
| Fund of Hedge Funds           | -            | -            |
| Emerging Markets Debt         | 53           | 23           |
| Risk Sharing                  | 241          | 312          |
| Insurance-Linked Securities   | 21           | 107          |
| Property                      | 165          | 182          |
| Infrastructure                | 416          | 484          |
| Private Equity                | 3            | -            |
| Private Debt                  | 162          | 189          |
| Opportunistic Illiquid Credit | 161          | 181          |
| High Yield                    | 1            | 15           |
| Opportunistic Credit          | -            | -            |
| Cash                          | 81           | 31           |
| Corporate Bond Fund           | -            | -            |
| Liquid Credit                 | -            | -            |
| Long Lease Property           | 27           | 128          |
| Secured Income                | 123          | 194          |
| Liability Driven Investment   | 1,676        | 1,951        |
| Currency Hedging              | (2)          | 8            |
| Net Current Assets            | 7            | 11           |
| <b>Fair value of assets</b>   | <b>4,117</b> | <b>4,237</b> |



- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## SHPS Scheme - Principal financial assumptions

The principal assumptions used for FRS 102 purposes were:

|   | 2024 - % p.a. | 2023 -% p.a. |
|---|---------------|--------------|
| Discount Rate   | 4.94          | 4.82         |
| Inflation (RPI)   | 3.07          | 3.15         |
| Inflation (CPI)   | 2.80          | 2.83         |
| Salary Growth   | 3.80          | 3.83         |
| Allowance for commutation of pension for cash at retirement (maximum allowance) | 75%           | 75%          |

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

|                         | (Years) |
|-------------------------|---------|
| Male retiring in 2024   | 20.5    |
| Female retiring in 2024 | 23.0    |
| Male retiring in 2044   | 21.8    |
| Female retiring in 2044 | 24.4    |

## LGPS - General information

### LGPS asset returns

Asset returns over the accounting period have been higher than expected. This has led to a gain on assets over the accounting period and an improvement in the balance sheet position before allowance for the 2022 Actuarial Valuation.

### Financial assumptions

There has been a change to the financial assumptions over the period. The discount rate has increased by 0.1%, the CPI inflation assumption has reduced by 0.1% and the salary increase assumption has reduced by 0.1%. This has resulted in a more positive balance sheet position than if the financial assumptions at the start of the period had been used. The impact of this change is recognised in Other Comprehensive Income.

### Net pension asset this year and surplus restriction

The FRS 102 balance sheet is showing a net pension asset before surplus restriction under paragraph 28 of FRS 102.

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

Paragraph 28 states that *"An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan."*

We believe that the accounting surplus should be restricted and so the surplus of £15.95m has not been recognised on the Statement of Financial Position. The surplus has been partially offset by a deficit of £130k relating to unfunded scheme liabilities. Therefore the net surplus which is not being recognised in the Statement of Financial Position is £11.65m.

The employer contributions paid for the year were £327,529 (2023: £586,734).

### LGPS Fund - Principal financial assumptions

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

|                                      | 2024 - % p.a. | 2023 - % p.a. |
|--------------------------------------|---------------|---------------|
| Discount Rate                        | 4.80          | 4.70          |
| Rate of inflation (CPI)              | 2.60          | 2.70          |
| Pension increases                    | 2.60          | 2.70          |
| Pension accounts revaluation rate    | 2.60          | 2.70          |
| Rate of general increase in salaries | 3.85          | 3.95          |

The approximate split of assets for the LGPS Fun as a whole (based on the data supplied by the Fund Administering Authority) is shown in the table below.

|                    | 2024 - Asset Split % | 2023 - Asset Split % |
|--------------------|----------------------|----------------------|
| Equities           | 65.5                 | 69.2                 |
| Property           | 6.1                  | 6.8                  |
| Government Bonds   | 11.5                 | 10.3                 |
| Corporate Bonds    | 15.0                 | 12.2                 |
| Multi Asset Credit | 0                    | 0                    |
| Cash               | 0.7                  | 0.8                  |
| Other              | 1.2                  | 0.7                  |
|                    | <b>100.0</b>         | <b>100.0</b>         |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## LGPS Fund - Mortality assumptions

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

| Post Retirement Mortality                   | 2024 | 2023 |
|---|------|------|
| Males                                       |      |      |
| Pensioner member aged 65 at accounting date | 21.0 | 21.6 |
| Active member aged 45 at accounting date    | 22.3 | 22.9 |

| Post Retirement Mortality                   | 2024 | 2023 |
|---|------|------|
| Females                                     |      |      |
| Pensioner member aged 65 at accounting date | 23.8 | 24.2 |
| Active member aged 45 at accounting date    | 25.2 | 25.7 |

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

|                                      | 2024 - £'000  | 2023 - £'000  |
|--------------------------------------|---------------|---------------|
| Fair value of assets                 | 42,870        | 39,710        |
| Present value of funded liabilities  | (26,920)      | (27,880)      |
| <b>Funded Status</b>                 | <b>15,950</b> | <b>11,830</b> |
| Unrecognised asset                   | (15,950)      | (11,830)      |
| <b>Net pension asset/(liability)</b> | <b>0</b>      | <b>0</b>      |

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

|                  |     |
|------------------|-----|
| Active members   | 25% |
| Deferred members | 17% |
| Pensioners       | 58% |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

|   | 2024 - £'000 | 2023 - £'000 |
|---|--------------|--------------|
| <b>Operating cost</b>                                     |              |              |
| Current service cost                                      | 240          | 480          |
| Past service cost   | -            | -            |
| Provision for the impact of GMP and the McCloud judgement | -            | -            |
| <b>Financing cost</b>                                     |              |              |
| Interest on unrecognised asset                            | (560)        | (120)        |
| <b>Pension expense recognised in surplus for the year</b> | <b>(320)</b> | <b>360</b>   |

## LGPS Fund - Amounts recognised in other Comprehensive Income

|  | 2024 - £'000  | 2023 - £'000  |
|--|---------------|---------------|
| Asset gains arising during the year                          | 2,500         | (3,140)       |
| Liability gains arising during the period                    | 14,850        | 14,850        |
| <b>Total amount recognised in other comprehensive income</b> | <b>17,350</b> | <b>11,710</b> |

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

|  | 2024 - £'000 | 2023 - £'000 |
|--|--------------|--------------|
| Opening defined benefit obligation             | 27,880       | 38,300       |
| Current service cost                           | 240          | 480          |
| Interest expense on defined benefit obligation | 1,280        | 1,020        |
| Contributions by participants                  | 70           | 70           |
| Actuarial losses on liabilities                | (970)        | (10,660)     |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

|   |               |               |
|---|---------------|---------------|
| Net benefits paid out                     | (1,580)       | (1,330)       |
| Past service cost                         | -             | -             |
| <b>Closing defined benefit obligation</b> | <b>26,920</b> | <b>27,880</b> |

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

|                                     | 2024 - £'000  | 2023 - £'000  |
|-------------------------------------|---------------|---------------|
| Opening fair value of assets        | 39,710        | 42,380        |
| Interest income on assets           | 1,840         | 1,140         |
| Remeasurement gains on assets       | 2,500         | (3,140)       |
| Contributions by the employer       | 330           | 590           |
| Contributions by participants       | 70            | 70            |
| Net benefits paid out               | (1,580)       | (1,330)       |
| <b>Closing fair value of assets</b> | <b>42,870</b> | <b>39,710</b> |

#### LGPS Fund - Actual return on assets

|                                | 2024 - £'000 | 2023 - £'000   |
|--------------------------------|--------------|----------------|
| Interest income on assets      | 1,840        | 1,140          |
| Remeasurement gains on assets  | 2,500        | (3,140)        |
| <b>Actual return on assets</b> | <b>4,340</b> | <b>(2,000)</b> |

The results below relate to unfunded pension arrangements established by the Employer. These are termination benefits made on a discretionary basis upon early retirement in respect of members of the LGPS.

No pension fund exists to meet these benefits.

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## LGPS Fund - Principal financial assumptions

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

|                         | 2024 - % p.a. | 2023 - % p.a. |
|-------------------------|---------------|---------------|
| Discount Rate           | 4.80          | 4.70          |
| Rate of inflation (CPI) | 2.60          | 2.70          |
| Pension increases       | 2.60          | 2.70          |

## LGPS Fund - Mortality assumptions

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

| Post Retirement Mortality                   | 2024 | 2023 |
|---|------|------|
| Males                                       |      |      |
| Pensioner member aged 65 at accounting date | 21.0 | 21.6 |

| Post Retirement Mortality                   | 2024 | 2023 |
|---|------|------|
| Females                                     |      |      |
| Pensioner member aged 65 at accounting date | 23.8 | 24.2 |

## LGPS Fund - Reconciliation of defined benefit obligation to the Statement of Financial Position

|  | 2024 - £'000 | 2023 - £'000 |
|--|--------------|--------------|
| Present value of unfunded defined benefit obligation               | 180          | 180          |
| <b>Liability recognised on the Statement of Financial Position</b> | <b>180</b>   | <b>180</b>   |

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

|   | 2024 - £'000 |
|---|--------------|
| Opening defined benefit obligation                      | 180          |
| Current service cost                                    | -            |
| Interest expense on defined benefit obligation          | 10           |
| Contributions by participants                           | -            |
| Actuarial losses on liabilities                         | (50)         |
| Net benefits paid out                                   | (10)         |
| Past service cost                                       | -            |
| Curtailment cost  | -            |
| Net increase in liabilities from disposals/acquisitions | -            |
| Settlements   | -            |
| <b>Closing defined benefit obligation</b>               | <b>130</b>   |

## 25. Capital commitments

|   | 2024 - £'000 | 2023 - £'000 |
|---|--------------|--------------|
| Capital expenditure contracted but not provided for in the financial statements | 12,310       | 5,903        |
| Capital expenditure authorised by the Board but not contracted                  | 11,528       | 31,388       |

### Funding

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

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## 26. Other financial commitments

At 31 March 2024, the total future minimum lease payments under non-cancellable operating leases are as follows:

|                            | 2024 - Land and Buildings £'000 | 2024 - Other £'000 | 2023 - Land and Buildings £'000 | 2023 - Other £'000 |
|----------------------------|---------------------------------|--------------------|---------------------------------|--------------------|
| <b>Payments due:</b>       |                                 |                    |                                 |                    |
| Within one year            | 176                             | 526                | 176                             | 517                |
| Between one and five years | 466                             | 451                | 643                             | 979                |
| After five years           | -                               | -                  | -                               | -                  |
|                            | <b>642</b>                      | <b>977</b>         | <b>819</b>                      | <b>1,496</b>       |

## 27. Financial instruments

| Financial Assets carried at amortised cost | 2024 - £'000  | 2023 - £'000  |
|--|---------------|---------------|
| Gross rent and service charge              | 2,413         | 1,980         |
| Trade Debtors                              | 282           | 317           |
| Cash and cash equivalents                  | 14,684        | 17,843        |
|  | <b>17,379</b> | <b>20,140</b> |

| Financial Liabilities carried at amortised cost | 2024 - £'000  | 2023 - £'000  |
|---|---------------|---------------|
| Trade Creditors                                 | 3,942         | 3,363         |
| Other taxation and social security costs        | -             | 12            |
| Rent and service charges received in advance    | 756           | 738           |
| Interest bearing loans                          | 70,000        | 71,000        |
| Loan transaction fees                           | (1,162)       | (1,245)       |
|   | <b>73,536</b> | <b>73,868</b> |



- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

## 28. Housing stock

| Number of units in management                   | 2024 - Number | 2023 - Number |
|---|---------------|---------------|
| <b>Housing accommodation for letting:</b>       |               |               |
| General housing - Social rents                  | 5,827         | 5,782         |
| General housing - Intermediate rents            | 46            | 46            |
| General housing - Market rents                  | -             | 1             |
| Supported, Sheltered and Extra-Care housing     | 199           | 199           |
| <b>Total rented</b>                             | <b>6,072</b>  | <b>6,028</b>  |
| <b>Other units:</b>                             |               |               |
| Home Buy  | 13            | 12            |
| Right-to-buy leases                             | 688           | 688           |
| Garages   | 818           | 815           |
| Commercial Property leases (less than 21 years) | 33            | 33            |
| Commercial Property leases (21 years or more)   | 21            | 21            |

## 29. Related parties

Four of the Board Members work for other registered social landlords also operating within the sector in Wales. There were no financial transactions between Valleys to Coast and these RSLs.

A member of the Valleys to Coast management team sits on the Board of Bridgend College. All transactions with the organisation were at arm's length and at market rates. Valleys to Coast incurred £12,901 of expenditure in relation to services provided by Bridgend College. The balance at year end was £6,265.

A Valleys to Coast Board member works for Savills UK Limited. All transactions with the organisation were at arm's length and at market rates. Valleys to Coast incurred £20,400 of expenditure in relation to services provided by Savills UK Limited. The balance at year end was £0.

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

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

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

The Members each own a 25% share in Barcud Shared Services Limited which is overseen by a Board made up of the Company's Members and is also open to new Members. Transactions with this entity amounted to £188,100 during the financial year. The balance at year end was £0.

### 30. Establishment of the company

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

### 31. Contingent liabilities

#### Social Housing Pension Scheme (SHPS)

Valleys to Coast has been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest.

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

#### Renting Homes (Wales) Act 2016

In March 2024 the Association became aware that it may not have been fully compliant with potential legal obligations arising under the Renting homes (Wales) Act 2016 (the "Act") and the Renting Homes (Fitness

- About us
- Hello
- 20th Year Snapshot
- 20th Year Detailed ▾
- Our Governance
- The Board ▾
- Our Finances ▾
- Independent Auditor's Report
- Our Registered Office
- Contact Us
- Financial Report

for Human Habitation) (Wales) Regulations 2022 (as amended)(the "Regulations") at the year end. On identification of the issue, immediate steps were taken to ensure compliance with legal obligations as the Association is currently able to understand them.

Following legal advice, Valleys to Coast along with a number of Registered Social Landlords have issued a claim to the High Court to seek a series of declarations as to the correct meaning and interpretation of the potential obligations. The Association has assessed that the likelihood of an outflow of resources to settle this potential liability following the legal proceedings is less than probable but (acknowledging the inherent uncertainty with such legal proceedings) is more than remote.

A high level of uncertainty remains because the interpretation of the requirements under the Act and Regulations needs clarification which will only be possible following determination of the proceedings that have been heard by the High Court, with a decision pending, hence any final financial effect cannot currently be measured with sufficient reliability at this time.

# Thank you for reading

[valleystocoast.wales](http://valleystocoast.wales)

#safeandhappy



**Valleys to Coast**  
celebrating 20 years