

Annual Report & Financial Statements 2023



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Our vision is:

“

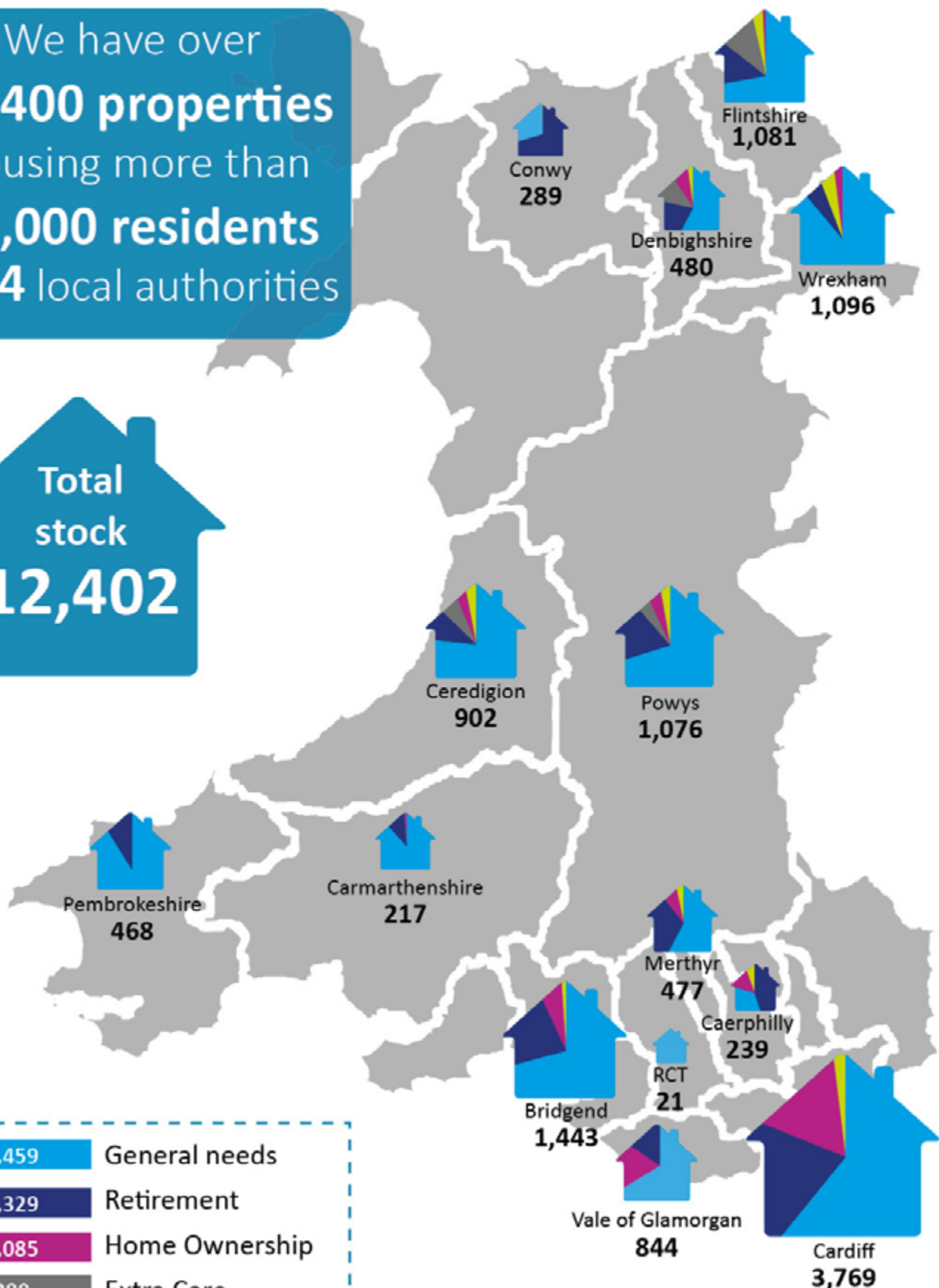
strong sustainable growth to
make a difference to people's
lives, homes and *communities*

”

Communities across Wales

We have over
12,400 properties
housing more than
20,000 residents
in **14** local authorities

Total
stock
12,402



8,459	General needs
2,329	Retirement
1,085	Home Ownership
280	Extra Care
249	Supported

As at 31 December 2023

Chair's report



Alex Ashton
Chair of the Board

2023 has been my fifth year as Chair of the Wales & West Housing Group Board. Looking back, these have been five extraordinary and unprecedented years, where so much has happened. Amongst so much change, one thing that has remained consistent is the hard work and enthusiasm of our staff, and their dedication to providing a great service to our residents. This has been recognised by Investors in People, where we have held the highest Platinum ranking for the whole time that I have been Chair, and I am delighted that we have recently retained our Platinum ranking for another three years. In what have been extraordinary times, this is an extraordinary achievement.

This year we were presented with a Special 10-Year Award from Best Companies in recognition of our consistent high rankings and our commitment to making the Wales & West Housing Group a great place to work. Everyone who works for us has played a part in creating and preserving our unique culture. As our offices opened up again, our staff have been able to connect more with colleagues and friends and focus on the core services of providing homes at a time when housing is more in need than ever.

Over the year, the Board has focused on the cost-of-living crisis we have found ourselves in. The impact on our residents

has been profound and we have tried to help as much as we can. The collective response has continued to be nothing short of amazing, with everyone going the extra mile to help. Ethnic minority groups have been disproportionately affected by both the pandemic and the cost-of-living crisis, so as a Board we wanted to offer our support to two charities working in this area this year. During the summer we met with volunteers and staff from EYST - the Ethnic Minorities & Youth Support Team Wales and BMHS - Black Asian and Minority Ethnic Mental Health Support. They are inspirational people, who have drawn on their own experiences, and are now working to make a real difference to the wellbeing of minority and marginalised people throughout Wales.

Throughout the year, Board members have spent more time out and about visiting schemes and meeting staff and residents. We have visited some of our extra care schemes and heard about the positive impact these can have on people's health and wellbeing. One of the highlights was meeting with residents at Plas yr Ywen in Holywell, when First Minister Mark Drakeford officially opened the scheme.

Over the year, we have put on our PPE and been out on some construction sites, where we are working with local authorities to



INVESTORS IN PEOPLE™
We invest in people Platinum

help tackle the housing crisis. We have seen first-hand some of the work that is being done to make homes warm and affordable for our residents to live in and learnt about the new energy-saving technologies being fitted into the schemes. In Grangetown, Cardiff we were welcomed into the homes of families who told us that having a safe and secure home for life is having such a positive effect on them and their children.

Our residents are the reason we are all here and do what

we do every day. Hearing from them and getting their opinions is important, and this year the Board approved a new Resident Involvement Strategy, which we hope will encourage even more to share their views. This way they can help us to tailor our services to reflect everyone's diverse and individual needs.

It is clear that the cost of living crisis is not over and we will continue to help and support our residents in the best ways that we can. Despite such difficult circumstances we

continued to make a difference to people's lives, homes and communities. As I look forward, the world still looks like a difficult place but I am certain that we will continue to focus on solving the right problems with our residents: one person, one contact, one step at a time.



At the scheme opening at Plas Yr Ywen, Holywell

Group Chief Executive's report



Anne Hinchey
Group Chief Executive

I am proud of the way we have worked to continue to make a difference to people's lives, homes and communities and I want to extend my thanks to every staff member right across the Group for their hard work over the year.

It has been another challenging year with the cost of living crisis continuing to impact both our residents and our finances. We have been through a difficult period over the last few years, with the effects of Brexit, covid, war and inflation taking their toll on our finances, together with rent increases that have been set below cost increases. However, we are a well-managed and financially resilient organisation and our principal financial metric, free cash flow, increased in the year to £8.9m from £2.3m in the previous year. We continue to remain vigilant, focusing on liquidity and the effectiveness of our treasury strategy, where all of our loans are at fixed rate, which has sheltered us from the rapid rise in interest rates over the last two years.

In these uncertain times, it has been more important than ever to focus on our core services. Over the last few years, we have made big strategic decisions to cease to be a care provider, to sell homes to other social landlords in areas where we were not best placed to make the most difference, to exit from the SHPS pension scheme

and set up our own scheme and to restructure our management team following the retirement of Shayne Hembrow, our former Deputy Group Chief Executive, who had been with us for 17 years. All of this was designed to make us stronger, more resilient and to allow us to focus on doing what matters to customers.

The importance of doing what matters to customers was highlighted by the tragic death in Rochdale of Awaab Ishak. The issue of damp and mould in properties is something we have always taken extremely seriously and we redoubled our efforts this year, identifying and continuing to deal with cases promptly. It is also critically important that we do not ignore the situation of the many thousands of people living in temporary accommodation across Wales as a home is fundamental. We are playing our part and are focused on helping people find the right home, with four in ten of our lettings in 2023 going to homeless households.

2023 saw two big legislative and regulatory changes. The first was the introduction of the updated Welsh Housing Quality Standard (WHQS). As well as retaining the standards from the original WHQS, there are new standards to meet from 2024 and a requirement for all homes to reach EPC C by 2030 and then EPC A further in the future. We have done much work to anticipate



this, carrying out decarbonisation trials with various approaches and technologies on over 230 homes last year. All of this work will help us to learn what works and how much it costs.

The new WHQS introduces the need to have a long term costed plan to get to EPC A, but this plan will require funding which is not yet in place from Welsh Government. By profiling our homes into archetypes, we have begun the work necessary to understand these costs but we are clear that underpinning all of this work is a clarity that we want to have the right homes for our residents. There will be a small number of our homes that are not right for us to keep in the long term. Equally there are homes which we built which were sold under Right to Buy (RTB) and which we want to “bring home” so that they can be occupied

once again as social housing. We also own a number of council houses and we would like to transfer those homes back to the councils that built them. This stock rebalancing will stand us in good stead for the challenges of meeting the new WHQS in the long term.

We have started some of this work already, buying back 32 homes this year (taking the total bought back so far to 68), transferring 25 former council houses in Ceredigion and disposing of 22 properties (taking the total so far to 64). Along with the 138 new social homes we built in the year, this takes the number of homes we now own or manage to 12,402 homes as at the year end.

The second major legislative change was the implementation of the Renting Homes Wales

Act, the first change to housing legislation made by the devolved Welsh Government. This required over 10,000 WWH tenancies to be changed to comply with the new Act. Having completed this work in the year, we have moved on to the compliance requirements.

Over the next two pages, we talk about how we operate. We have a way of working, the Wales & West Housing Group Way, which allows us to do the right thing efficiently and effectively time and again and means that we are well placed to continue to make a difference to people’s lives, homes and communities.



We celebrated 10 years as a Best Company

How we operate

The Wales & West Housing Group Way is our way of running the organisation so that it continues to achieve excellent performance and financial security. The approach works and ensures that our customers are involved in shaping and designing the services they receive.

We believe in 'doing the right thing'. What is right reflects our values and applies to how we act and behave to our colleagues and our customers. The right thing is not what is profitable, cheap, or what will be tolerated. Even when we are not sure what is right, we all instinctively know what is wrong and unfair. Our sense of social purpose, our moral compass is borne out of a strong set of values

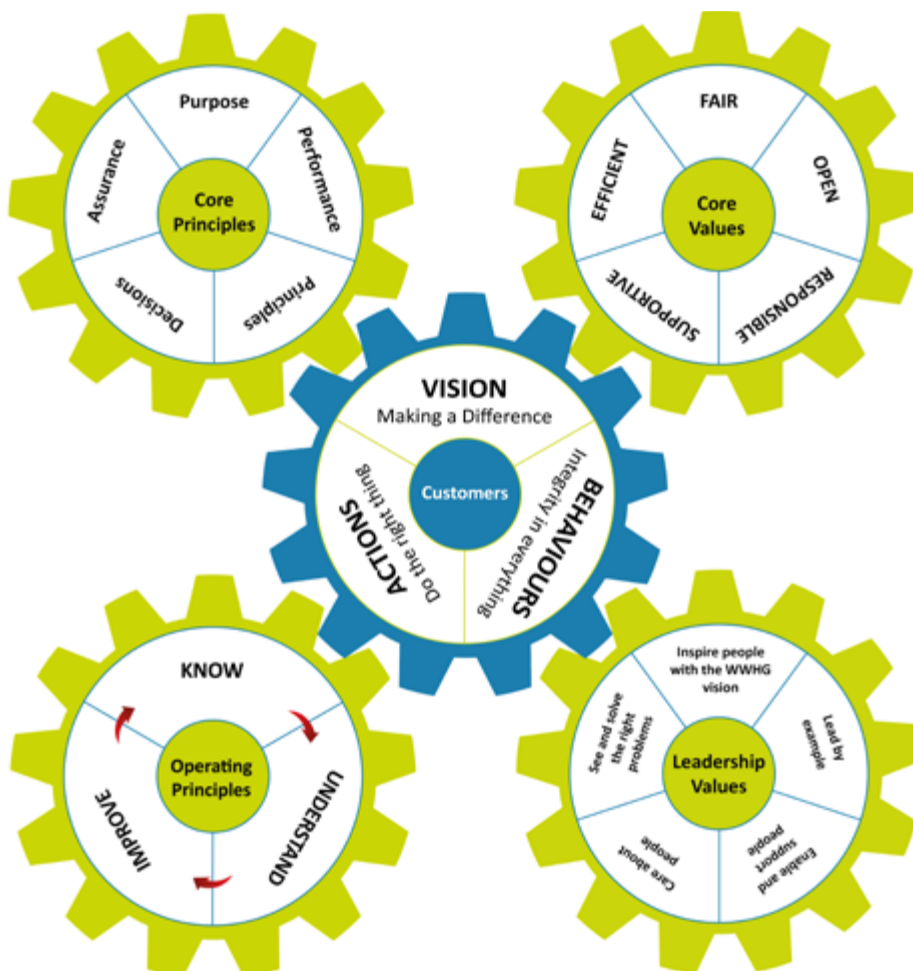
and guides us in our day-to-day decisions on what is right and this is reflected in the positive feedback from our customers who trust us.

We see our business as a series of systems, most are customer-facing and the remainder are what are often called "back office." Continuously improving the performance of these systems is what we concentrate on. We use our operating principles to help us to focus on the continuous improvement of our systems, in particular developing additional capability in frontline systems. People are understanding when things do not go to plan, or are less than they would expect, but are much less tolerant when mistakes are repeated, or the quality of

services does not improve. Our residents expect us to be ever more efficient and demonstrate that they get value for the rent they pay.

The theme of 'sticking to our core purpose' remains at the heart of our approach and is reflected in our latest business plan. Doing an excellent job of the core things that matter to our customers, and that matter to us as a business, will make our foundations strong and our future secure. This means that we have stayed focused on what we do well and know, and we have not got distracted.

Over this year we have unapologetically concentrated on our core business. We have



The Wales & West Housing Group Way

Making a difference to people's lives, homes and communities

Making a difference
by helping to solve
the housing crisis
in Wales

Making a difference
by keeping
residents safe in
their homes

Making a difference
by providing
homes that are
affordable

Running an efficient business
(sticking to our core purpose)

01

OPERATIONS

Housing, estates
and site services



02

ASSETS

Major works,
compliance
and Cambria
Maintenance
Services



03

FINANCE



04

DEVELOPMENT



05

**TECHNOLOGY
AND DATA**



06

**PEOPLE AND
CULTURE**



07

**CORPORATE
SERVICES**



built new homes, we have maintained our homes to a very good standard, investing £10.7m in long-term maintenance, and we have looked after the people who have made them their homes. This has never been more appropriate and is what our customers have expected of us during the difficult times we have all lived through over the last few years.

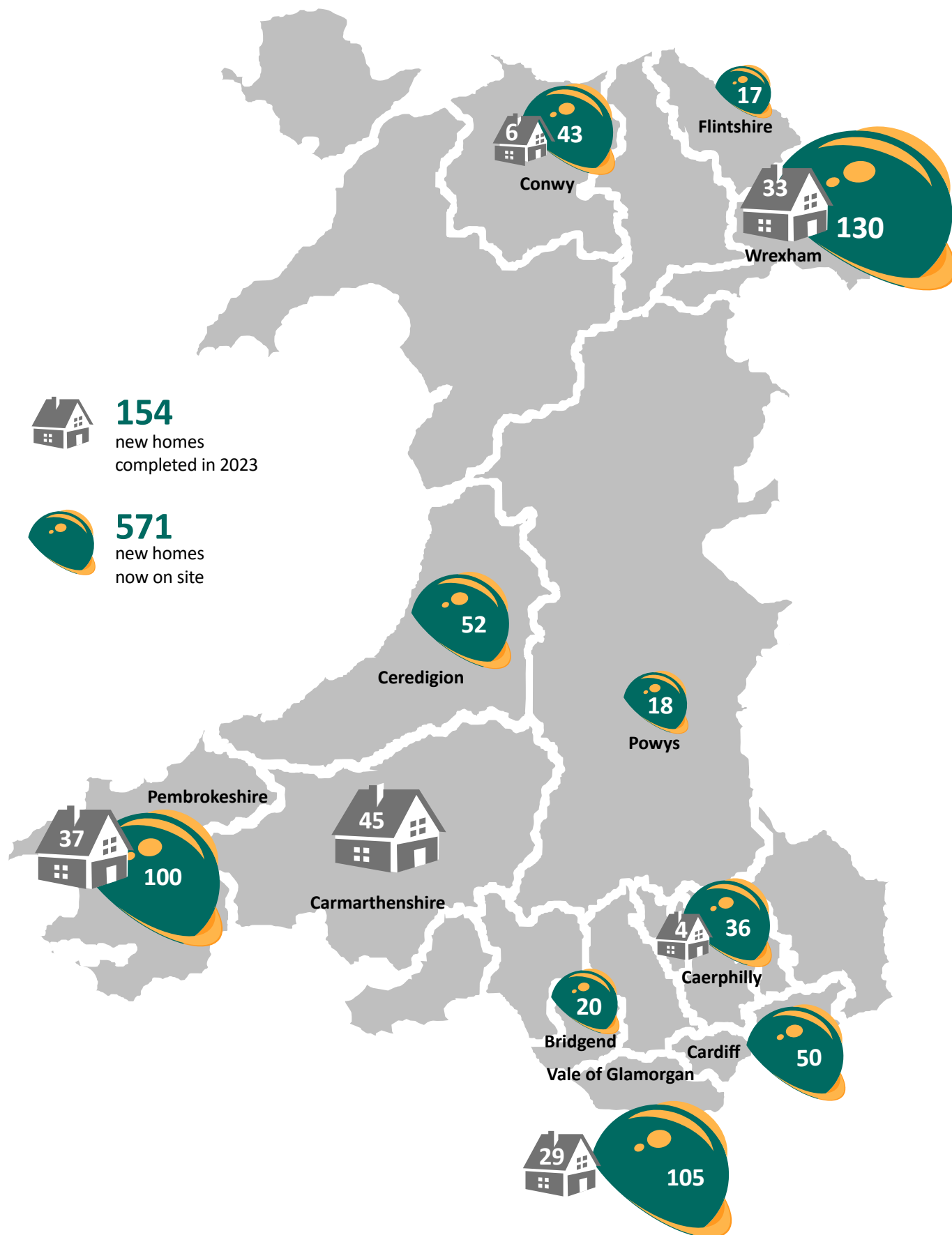
One of the areas where we have used our operating principles to

redesign service provision has been disabled adaptations. Using our intervention approach we have understood what matters to residents, challenged assumptions and given staff ownership of the process and solutions. This has achieved great outcomes for residents and great value for money for us.

In all of the services we offer, we want to be inclusive and recognise the diversity of our residents. The

Board approved a new Diversity and Inclusion Strategy in 2023, which sets out how we want to be able to see people from different backgrounds, experiences and cultures, and how we will become more diverse to help us be both a better landlord and employer. We have always focussed on tailoring services, but being more diverse will help us be more creative about the right solutions.

Building new homes



We have completed over 750 new homes in the last three years, almost all of which are for social rent. This is quite an achievement and is testament to the tremendous work of everyone in the development team and everyone else in the Group who supports them. All our new developments look great and the homes are built to a very high standard. However, what is most important is the people who are able to move into those homes. Every new social rented home we build takes someone off a waiting list and transforms lives.

We have a clear development strategy, where we know what we want to do in every town in every county in all the areas we develop in. Our homes are affordable to live in, easy to maintain and cost effective to build. During the year we have continued to work on our specification to make our new homes even better. We build homes that are really warm by design, taking a fabric first approach, meaning that our new homes are inherently very warm and therefore have a low demand for heating. The heating we provide in these homes does not use fossil fuels, and we have incorporated more biodiversity into our schemes to help the environment. Each new home has an individual heating system to allow residents control over their own energy usage and we use combinations of solar PV, batteries and air source heat pumps to provide heating and hot water.

Implementing our strategy has not been without challenges in 2023. The construction market has continued to prove

challenging, with further departures from the market reducing the overall availability of contractors and increasing prices. There are significant delays in planning and in Sustainable Drainage Authorising Body (SAB) approvals and there are areas of Wales that remain undevelopable due to the phosphates restrictions imposed by Natural Resources Wales.

Despite all of this we have been able to deliver 154 new homes during 2023, which included 138 homes for social rent and 16 Low Cost Home Ownership (LCHO) homes. We are currently on site building another 571 new homes across Wales and have over 1,000 further plots in our development pipeline. The map opposite shows where new homes were completed and those on site are located. We are pleased to be providing new homes in so many different counties of Wales.

Our priority will continue to be, as it always has been, providing social rented housing. We will also deliver other tenures where it helps with mobility in the housing marketplace, particularly building affordable low cost home ownership properties for local people in rural and coastal communities where the supply of other housing is limited. We will also build mixed tenure developments where they can deliver more social housing without the need for grant. We will do all or as much of this as we can with our Welsh development partners, giving these SME (Small and Medium Enterprise) businesses certainty of work and adding further value to Wales.



1. *Built on the site of a former scrapyards, new homes at Jacques Way were completed by contractors Castlemead and are situated in an excellent location on the edge of Wrexham town centre.*
2. *We are working to develop 50 flats for rent at the site of the former Three Brewers pub and car sales garage at Colchester Avenue in Cardiff.*
3. *Built on the site of a former barn, Parc Brynach in Dinas Cross is a development of 11 houses, four apartments and two bungalows, which is providing modern, forever homes for social rent for local people.*

Financial performance

Analysis of Association Total	2023	2022	Association Free Cash	2023	2022
Comprehensive Income	£m	£m		£m	£m
Turnover	80.3	77.0			
Less: Amortisation	(3.5)	(3.4)			
Net Turnover	76.7	73.6			
Cash operating costs	(46.6)	(42.8)			
Cash Operating Surplus	30.2	30.8	Cash Operating Surplus	30.2	30.8
Cash Operating Surplus %age	39%	42%			
Major repairs expenditure	(3.0)	(4.9)	Component replacements	(7.2)	(7.1)
Depreciation less amortisation	(10.8)	(10.3)	Major repairs expenditure	(3.0)	(4.9)
Operating surplus (pre profit on disposal)	16.3	15.6	Property reinvestment	(10.2)	(12.0)
Operating surplus (pre profit on disposal) %age	21%	21%			
Surplus on sale of fixed assets	3.1	16.9	Capital expenditure	(1.7)	(3.3)
Operating surplus	19.5	32.5			
Net interest cost	(6.6)	(9.8)	Net interest cost	(6.6)	(9.8)
Capitalised interest	0.9	0.9	Pension costs	0.1	(2.5)
Accounting movements	(0.0)	(0.9)	Working capital movements	(2.7)	(0.9)
Actuarial pensions movements	(2.5)	11.5			
Total Comprehensive Income	11.2	34.2	Free cash inflow	8.9	2.3
Analysis of Association underlying Surplus	2023	2022	2021	2020	
	£m	£m	£m	£m	
Total comprehensive income	11.2	34.2	9.1	11.1	
Actuarial pension movements	2.5	(11.5)	(1.2)	1.0	
Surplus on property asset sales	(3.1)	(17.4)	(1.2)	(1.1)	
Underlying surplus	10.6	5.3	6.7	11.0	

Association turnover

£80.3 million



4.3%

Our turnover increased by £3.3 million from £77.0 million in 2022, due to annual regulated inflationary rent increases and rents from newly built homes. Despite the continuation

of challenges within the construction marketplace we delivered over 150 new homes in 2023.

Cash Operating Surplus



39%
of turnover
(2022: 42%)


Our Cash Operating Surplus (EBITDA) percentage, fell from 42% to 39% in 2023 as a result of continuing higher inflation, which was not matched by the capped increase in our rents. This meant that our costs rose faster than our income. Our Operating Surplus before accounting for property and fixed asset sales grew by £0.7m to £16.3m, meaning that Operating Surplus as a percentage of turnover remained at 22%. Our like for like operating surplus at £16.3m as compared to 2022 at £15.2m. Last year we recorded a significant profit on the disposal of homes to other social landlords across Wales (17.4m), which had increased reported Operating Surplus to £32.5m. The reported Operating Surplus this year was £19.5m

Our interest cost was £9.7 million compared to £9.8 million. We remain very liquid in these difficult economic times, with over £74m held in cash and a further £70m of revolving credit facility available to us. We have been able to invest much of

this liquidity at higher interest rates than the original cost of borrowing and this increased interest receivable from £0.8m last year to £3.7m this year. This reduced our net interest cost to £6.6m, from £9.8m last year.

Our average interest rate was 3.43% (2022: 3.38%) and our debt comprised 99% (2022: 99%) bearing interest at fixed rates and 1% (2022:1%) with index-linked rates. We comfortably met our interest cover and gearing covenants in our loan agreements in both 2023 and 2022.

Average interest

3.43
(2022: 3.38%) 

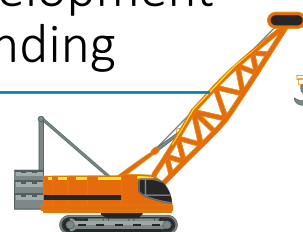
Our bottom line surplus fell to £13.7m from £22.7m in the year, which was mainly due to the reduction in property sales but was offset by the increase in interest receivable due to a strong return on investments. This increased our reserves in the balance sheet from £132.4m to £143.6m, after allowing for accounting movements on the defined benefit pension scheme reported in the other comprehensive income statement.

Association free cash flow

Our principal financial metric is the free cash generated by the Association. In 2023, free

cash inflow increased to £8.9 million from the £2.3 million generated last year. This is disclosed in the statement of cash flows as required under the Welsh Government accounting determination. This increase was primarily due to the fall in net interest costs and the cessation of pension deficit payments, following the actuarial valuation of our pension scheme which showed it to be in surplus. Component replacements accounted for £7.2 million (2022: £7.1 million) whilst major repairs were £3.0 million (2022: £4.9 million). Capital expenditure also fell from £3.3m in 2022 to £1.7m in 2023, as most of the work on our new operating system is now complete.

Development spending



£36 million
(2022: £41 million)

During 2023, £36 million (2022: £41 million) was spent on developing new homes. We concluded the year with £812 million (2022: £776 million) in fixed assets and borrowings of £321.5 million (2022: £321.5 million).

Group structure

The Group comprises the parent Association and three wholly owned subsidiaries:

- **Cambria**
(Cambria Maintenance Services Limited),
- **Castell Homes**
(Castell Homes Limited),
- **Enfys**
(Enfys Developments Limited).

All of these subsidiaries exist purely to provide cost-efficient channels to develop new homes and to provide services for the residents of the Association.

These subsidiaries do not represent diversification away from traditional housing association ventures.

Enfys Developments



Enfys started operations in 2013 and manages our development programme of new homes, providing a cost-efficient way of delivery. Having our own development company ensures that we build the right homes to the right specifications using the right contractors and materials.

We expect Enfys to deliver more than 1,500 new homes over the next five years. During the year Enfys achieved a turnover of £27.9m (2022 - £29.1m) and made a profit of £0.3m (2022 – profit of £0.3m).



£27.9 million
Enfys Turnover
(2022: £29.1 million)

Castell Homes



Castell Homes manages our development of homes for sale, with five homes having been completed for sale to date. There were no homes sold in the year to 31st December 2023 but the number of homes for sale will be expanded in the future if suitable opportunities arise.

During the year Castell Homes generated turnover of £0.0m (2022 - £0.4m) and made a profit of £0.00m. (2022 – profit of £0.06m).



£0.0 million
Castell Homes Turnover
(2022: £0.4 million)



Cambria Maintenance Services staff at their annual conference in Built Wells, September 2023

Cambria Maintenance Services



£15.7 million

Cambria Turnover
(2022: £15.2 million)

Cambria has been in operation since 2011 and provides cost effective maintenance services in all of our properties across Wales. These services include reactive maintenance, gas servicing, electrical testing and kitchen, bathroom and boiler replacements.

More than 99% of all services provided are purely for the residents of the Association. Keeping the majority of our maintenance works with our in house company provides a cost-effective solution by ensuring that works are completed to the right standard, maintaining control over associated materials costs and saving contractor profit

margins and irrecoverable VAT on labour costs.

During the year Cambria achieved a turnover of £15.7m (2022 - £15.2m) and made a profit of £1.8m (2022 – profit of £1.7m).



Cardiff and Vale College awarded Cambria Maintenance Services with the 'Employer of the Year 2023' Award

Value for money

We have an approach to Value for Money (VFM) which focuses on efficiency, resident satisfaction and social value. The approach to efficiency is to improve both operational and financial efficiency, focussing on service delivery, procurement, treasury management and tax efficiency. The emphasis is on achieving value, rather than just saving money.

In seeking efficiency on service delivery, we do not set targets or seek to make arbitrary cost reductions of 2% or the like. Instead we concentrate on only doing what matters to customers by understanding common demands, designing services to meet those demands and removing waste within those systems. This is assessed by using leading measures in the work within each system. For example, the fix my home system concentrates on first visit fix and appointments. If a job can be done first time, it reduces waste by the operative not having to go to a property a second time. Similarly, if an appointment is made and kept, then the operative does not have to travel to the same property twice. Actions taken in the work to remove barriers in the systems help to reduce waste. This will then ultimately feed through to lower costs and greater efficiency.

In our rents system, we do not bombard residents with nasty letters and we do not

issue lots of notices of seeking possession. Instead we work with our residents to help them budget and to set up a payment plan for them to pay their rent. We monitor these every day and we get to residents quickly when something we expected to happen does not happen. This allows us to provide our residents with support and to get them back on track with their payments. The vast majority of our residents engage with this process and this means that we evict very few people for rent arrears (only 1 in 2023), our rent arrears continue to fall, and our bad debt charged was only £159k in 2023.

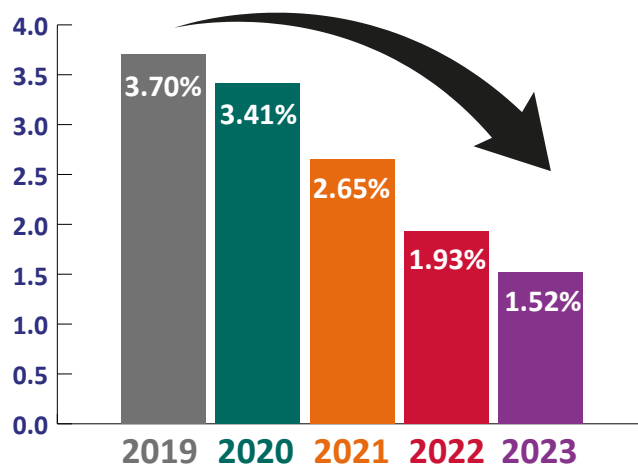
have sought to in-source, with Cambria being the main example.



£1,830,000
Savings in 2023
(2022: £1,743,000)

Buy right has focused on the long-term value of the materials purchased, making sure the right materials are purchased which are standardised across our

Rent Arrears



stock and which minimise future maintenance. Staff are regularly trained in making good purchasing decisions based on both the need to incur the expenditure and achieving good value in relation to alternatives.

Our procurement approach has focused firstly on in-sourcing, secondly on “buy right” and thirdly on making good procurement decisions. In-sourcing eliminates irrecoverable VAT on labour and profit previously paid to third party contractors. Where work is predictable and recurring, we

The finance approach to VFM focuses on tax efficiency and treasury management. Where irrecoverable VAT can be made recoverable, a structure will be put in place to mitigate this with Enfy's being a good example.

Treasury efficiency is obtained by taking advantage of long-term



**Enfys
Developments**

£3,614,000
VAT savings
since incorporation

bond facilities to give long term fixed rates at a competitive cost balanced by short term revolving facilities that ensure that unnecessary carry costs of money are not incurred.

3.43%
Weighted average
cost of capital
(2022: 3.38%)

Social value is embedded in what we do and is reflected in the mission statement of making a difference to people’s lives, homes and communities. The approach to VFM is also about ensuring social value and making sure that it has equal prominence to financial efficiency. No decision

Taking everything into account, how satisfied or dissatisfied are your residents with the following:



91%

WWH are easy to contact



90%

WWH treats you fairly and with respect



78%

WWH understand your individual needs and delivers services to meet those needs

is taken without reference to the mission statement. The section on social value later in this report highlights some of the many areas in which we add social value.

We constantly review purpose and what matters by listening to the demands of residents and, in addition, regular resident satisfaction surveys are carried out across the systems.

Understanding that residents are satisfied is a good check to ensure that efficiency is being achieved without adversely affecting services. Resident satisfaction is difficult to quantify on an aggregated basis due to the highly individual nature of each resident’s concerns and situation. We focus on addressing resident needs and ensuring their satisfaction at each point

of contact, learning lessons from each engagement which we carry across to benefit all of our residents.

We also invest in addressing the predictable types and frequencies of demands so that we are prepared to do what really matters to our residents. Our Board monitors resident satisfaction in a number of key areas across our service delivery, striking a balance between scores at the point of delivery of specific services and periodic overall satisfaction surveys.

Our focus remains on helping each resident as an individual with their own unique situation, rather than trying to drive betterment of a numerical score.

2023 result	Resident Satisfaction
81%	Satisfaction overall
82%	Quality of home
88%	Safety and security of home
83%	Value for money of rent
65%	Value for money of service charge
80%	Repairs and maintenance overall
73%	Listens to views and acts on them
66%	Taking part in decision making
75%	Having a say in service management
83%	Trust Wales & West Housing
78%	Neighbourhood as a place to live
63%	Dealing with ASB

Environmental, Social and Governance

With good governance, we run the business to have an increasingly positive impact on the environment and to generate social value.

The Environment

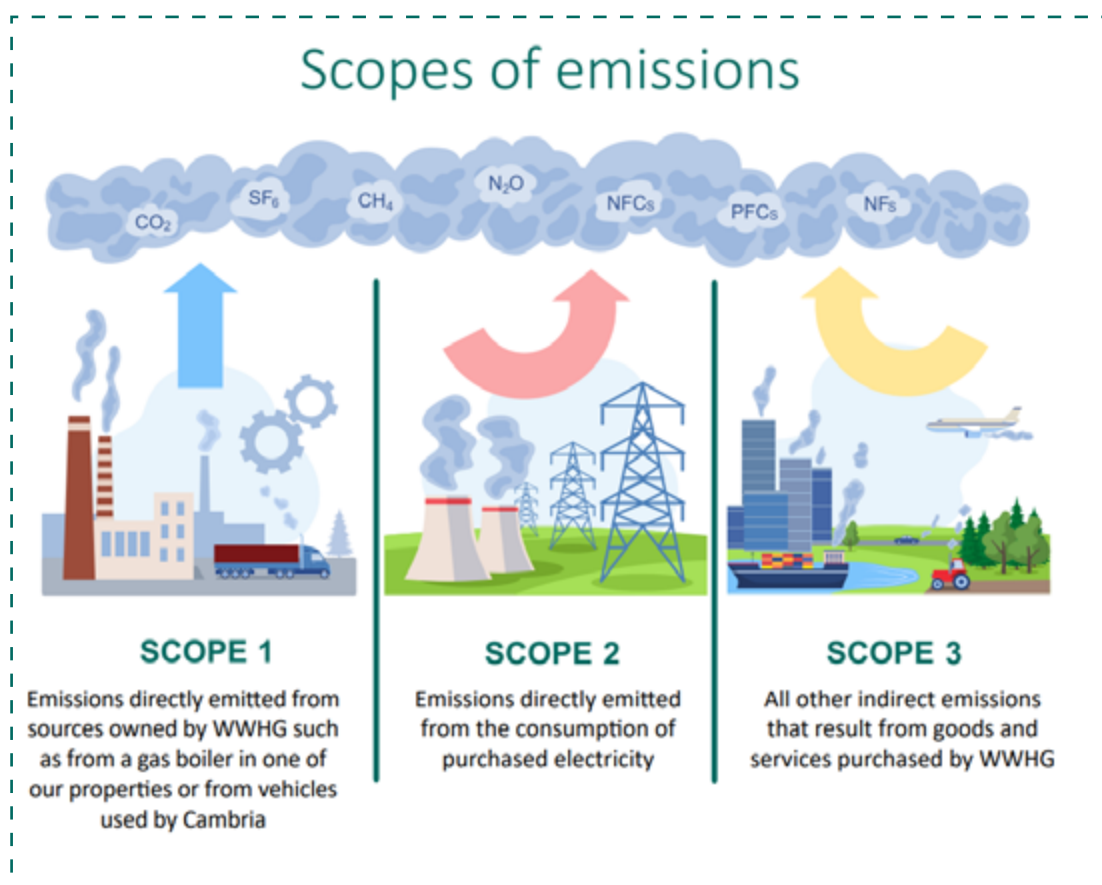
The Welsh Government (WG) declared a climate emergency in 2019 recognising the scale and urgency of the challenge to reduce greenhouse gas emissions and limit the rate of global warming. WG have put in place several climate-related strategies and plans to ensure that it, and all sections of society, are doing what is required. During the year, the Group adopted an Environment Strategy, with the aim for the Wales & West Housing Group to be net zero by 2050. This means cutting greenhouse gas emissions to as close to zero as possible with any remaining emissions re-absorbed from the atmosphere by, for example, oceans and forests.

The majority of the world's greenhouse gas emissions are associated with energy production and use which is why the strategy prioritises actions that will improve the energy efficiency of the housing stock, both new

and existing, so that they will, over time, cause less emissions. The first focus is on operational carbon emissions being both those associated with running the business and those associated with residents running their homes. The later focus will be on embedded carbon emissions which are those associated with the manufacture and production of goods and materials such as

building materials.

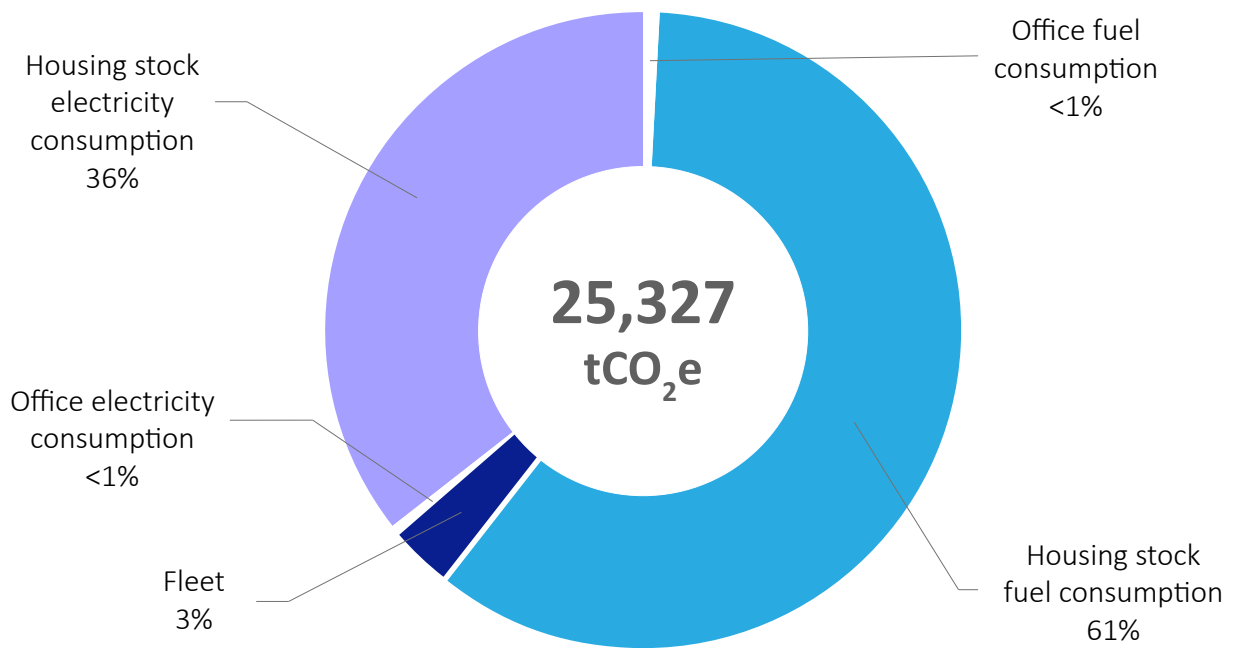
In 2023, the Group commissioned a report from the Carbon Trust, which calculates the Group's carbon footprint. The Carbon Trust used the Greenhouse Gas Protocol, the most widely used and accepted methodology for greenhouse gas accounting, which categorises emissions into three 'scopes'.



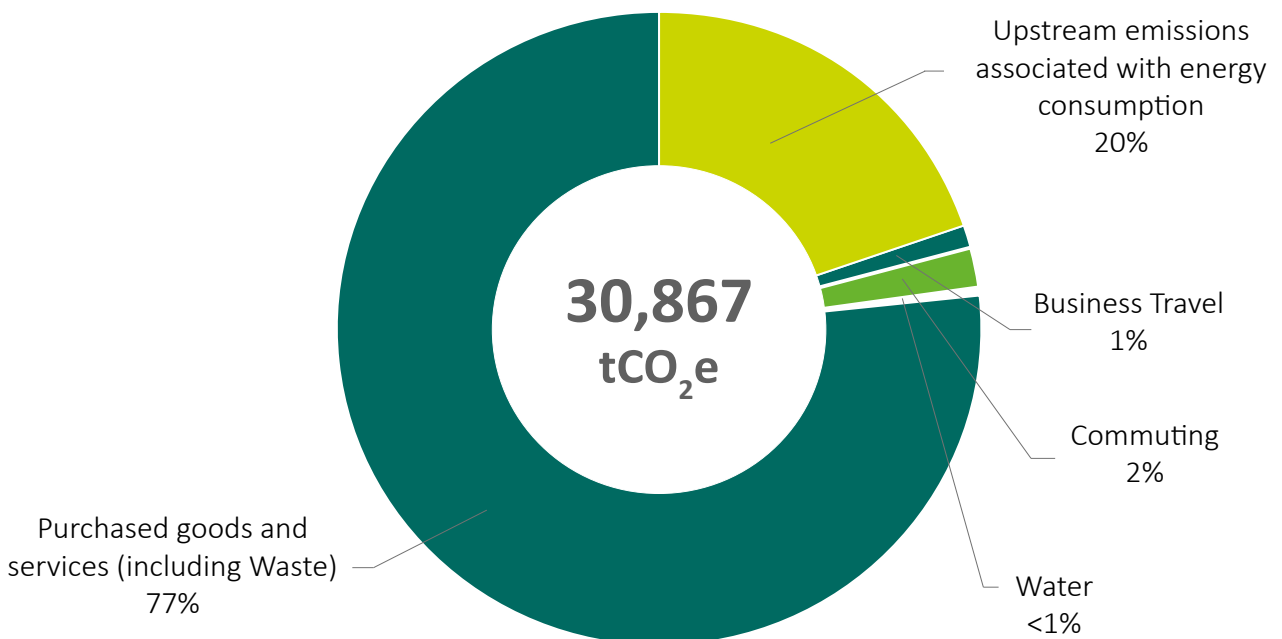
As Greenhouse gases (GHG) are not limited to CO₂, the emissions of several other gases such as methane, nitrous oxide (N₂O) and hydrofluorocarbons (used in refrigeration) must be considered when calculating a 'footprint'. Different gases have a specific global warming potential and are measured in tonnes of carbon dioxide equivalent – tCO₂e.

The total carbon footprint calculated for the Wales & West Housing Group is 56,194 tCO₂e. The importance of calculating the carbon footprint is not to determine whether it is high or low and there are no comparators against which the level can be assessed. The benefit of the calculation is to provide a starting point against which to measure progress in reducing the level of emissions.

WWH Group total scope 1 and 2 emissions



WWH Group total scope 3 emissions





Our priority is to safeguard the wellbeing of our residents and ensure we use our limited resources to best effect. The roadmap to delivering our Environment Strategy is designed to achieve the transformation we require over time as our confidence, understanding and the technology progresses. We are clear that the actions we take must deliver meaningful outcomes and benefits for our residents. It is important that staff and residents understand the rationale and see the value of the investment we are making.

In these first years, the outcomes we are seeking are:

- Reduced fuel poverty
- Low carbon new housing
- Reduced carbon emissions
- Carbon literacy and more sustainable behaviour by staff and residents
- Increased biodiversity
- Increased skills and capacity to enable sustainability



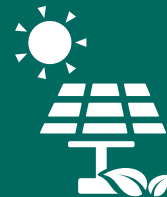
WWh Staff volunteered to brighten up outdoor spaces at St Mary's Close, Chirk

We have identified seven priority areas for action that will enable us to achieve these outcomes

Sustainable - assets



Low carbon new housing



Retrofitting existing homes



Improving biodiversity



Renewable electricity and micro-generation

Sustainable - operationally



Fleet, business travel and commuting



Support our partners' environmental journey



Changing thinking and behaviours



Odet Court, Whitchurch, Cardiff

Odet Court in Whitchurch, Cardiff is Wales' first housing scheme to use an innovative solar energy system which is able to connect every apartment with their own rooftop solar PV panels.

It means that every household can equally benefit from the more affordable, cleaner energy to help address fuel poverty and reduce carbon emissions.

The scheme was undertaken working in partnership with Allume Energy, developers of the SolShare technology, and

received part funding from Welsh Government's Optimised Retrofit Programme. The system was installed by Abergavenny-based renewable energy company Green Park Power.

The system is expected to generate around 50,000kWh per year, which is enough to run a washing machine 24 hours a day for two and a half years. This energy will be shared equally among the 24 apartments in the building. Communal batteries have also been installed to store up the excess energy for times when the residents need it most in order to make the most of the savings.

It means that each household could benefit from around 2,000kWh of self-generated

energy per year, which could lead to savings of around 50% off their energy bills. At current electricity prices, this could mean a saving of £400 to £500 per household per year based on the average energy use for a one bedroom apartment.

The scheme was visited by the Welsh Government Minister for Climate Change, Julie James, who commented: "This is an exciting first of its kind project for Wales and exactly the type of thinking we need to see within the housing sector. The decarbonisation of homes plays a big part in our journey towards a Net Zero Wales by 2050 and I look forward to following this innovative project as works progress. At a time when costs are rising, improving the energy efficiency of homes will not only help us to deal with the climate emergency but also help families through the cost-of-living crisis. It is another important step in our journey towards a stronger, greener, fairer Wales."



Solshare technology installed at Odet Court

Social Value

Social Value is embedded in all that we do. Every year we give back to our communities across Wales by supporting grassroots projects, groups, events, and activities. These all make a difference to people's lives, homes, and communities, and this is at the heart of our Making a Difference Community Assistance programme. We support our residents, and those

living in our communities, to enable them to do everything from injecting new life into a community space through to projects which support education, wellbeing, and sport. We are supported in this by many of our contractors and suppliers, who both contribute to our social fund and who provide time and materials for community projects.

350 hours

of staff time
donated through
our Giving
Something Back
scheme



Painting a local school in Llandisillio, Pembrokeshire



Helping at Trowbridge Food Pantry & Community Garden, Cardiff



Gardening at St Mellons Community Garden, Cardiff



Staff helped with administration tasks to support Wales Air Ambulance's Summer Raffle fundraiser

Our year in figures

£174K

given to supporting our communities



65

community organisations funded



£42K

raised for our staff charities Wales Air Ambulance & Blood Bikes Wales



£50K

donated by WWH Group to Welsh charities chosen by the Board





The right help at the right time

The service is available around-the-clock, 24/7, 365 days a year, over the telephone and online.

During 2023 we continued to work in partnership with Life and Progress to offer a 24-hour assistance programme to our residents. The Tenant Support and Wellbeing Service is a dedicated telephone and online support service which is free and confidential for our residents to use at any time of the day or night. The service includes access to in-the-moment support and, as well as offering phone access, it also has an online portal and a live chat function for those that want to engage digitally. The service provides emotional support, financial guidance, legal guidance, advice on benefits and budgeting help.

The cost of living crisis continues to challenge our residents and wider communities. We have worked hard over the year to provide support and have helped residents to access fuel vouchers and food parcels through community partnership organisations. We have provided support over the year to a number of food providers.

In North Wales we supported Rhyl Foodbank, providing money for general running costs for three months.

In West Wales, Cardigan and Pembrokeshire Foodbank received funding to support their work in the community. In Mid

Wales, Welshpool and District Foodbank received financial assistance to purchase more food supplies to meet rising demand.

We were able to support the Here for Good Collective based in St

Mellons, Cardiff, who were able to offer gifts to families who were struggling to afford Christmas. At their free Christmas shop families were able to choose presents, free of charge, to gift to their loved ones.



Twyncarmel Foodbank Pantry



We provided nearly £8k in sponsorship to the Welsh Refugee Council (WRC) to support activities on their play project, allowing them to continue through the school holidays.

The funding helped WRC to provide a safe place for sanctuary-seeking children to play at their three weekly drop-in play sessions in Cardiff, giving children access to toys and bilingual storybooks.

Up to 20 families, from countries including Eritrea, Nigeria, Sudan, Syria, Iraq, Afghanistan, Albania and Ukraine, meet with their young children at the sessions. While the children play and make friends in a safe space, their parents can get support from the staff and volunteers. Funded by BBC Children in Need, the play project has been running for 13 years.

“The donation will enable us to offer more fun opportunities and experiences to our children, helping them to build up resilience and confidence during a difficult time for them and their families”

Meryl Hoffer, Play Project lead

The project has supported nearly 280 children in the past year and has handed out 660 toys and over 180 book packs to children attending. The support has also allowed WRC to take the children out and about around Cardiff, so they can get to know and feel part of the city.

The WRC play sessions provide a warm and welcoming safe space for sanctuary seeking and refugee children. They help children to not feel overwhelmed and support them to play, have fun and make friends.



Blitz Art Group meet every Monday at Sylvester Court, Wrexham

An art group founded by two friends who experienced life-changing events is helping to reduce loneliness and isolation and teach people new skills.

We funded an art group founded by two friends who experienced life-changing events. The group is helping to reduce loneliness and isolation and teach people new skills.

Blitz Art meets every Monday at Sylvester Court in Wrexham under the guidance of art tutors Barbara Edwards and Liz Metcalfe.

Barbara and Liz met at an online art class during the Covid pandemic after Barbara took up art for the first time following a serious illness which left her fighting for her life.

When Liz lost her husband last year, they decided to focus their passion for art on creating a new weekly group which would provide an opportunity for people to get together.

Blitz Art was formed and has grown to include a dozen regular attendees. We provided funding for materials for the group so they could carry out their activities without charging group members.

Liz and Barbara teach the group's members a new skill each week, ranging from watercolours and zen tangles to jewellery making.

The group provides learning but also provides a sense of connection with other people for those involved. Whilst there are set lessons each week, the aim is for people to have a go and meet new people. Residents who attend enjoy the camaraderie and the relaxed atmosphere, as well as being able to do something different.

“I love teaching and being involved in the group has helped me terrifically since losing my husband.”
Liz Metcalfe, artist





The Willow Collective

In North Wales, The Willow Collective is a Community Interest Company which operates a working mill on its base in Rhyl, providing work experience and career opportunities to hard to reach young people. Our funding went towards the construction of a

new structure on the yard so that the mill could expand its operations.

Nicky Hodge, founder of The Willow Collective, said: "Some of the young people who come here are the hardest to reach young people. I wanted to turn

the Willow Collective into a careers-based centre, sending young people off on career pathways, and the funding from Wales & West Housing was the first stage of starting this project."

Sports

The teams we supported in 2023 included:

- Fitzalan High School
- St Clears AFC
- Llanrumney U11s
- Ysgol Bro Teifi
- Merthyr RFC U7s
- Newcastle Emlyn Amateur Football Club



Sporting hijabs and goalkeeper gloves helped to open sports to all pupils at Fitzalan High School

We provided funding so that the school could buy sporting hijabs, football boots and goalkeeper gloves for their teams. This has enabled more pupils to be able to join in with playing extra-curricular sports.



Community Development Officer Herman with staff and pupils of Fitzalan High School, Cardiff

“My vision for our pupils is that they can have the confidence and security to overcome any barriers on their path to success in sport whether in school or their communities.”

Will Morris, Teacher

The Southern XLs Jazz Band

We provided sponsorship to the Maesteg-based Southern XLs Jazz Band to buy five new marching drums to replace old equipment, which was being held together with tape.

Southern XLs is a marching

band which gives children and adults, from all backgrounds, the chance to learn to play musical instruments and march.

The band has been playing together for almost 20 years and has almost 50 members who

meet every Sunday to practice. They put on displays locally, take part in competitions all over the UK and were runners up in the UK Championships 2023.

“We can now focus our efforts on fundraising, training, education and recruiting new members rather than holding our instruments together. This is vital to the future of our band. The new instruments mean that ultimately the sound and music we produce will be of a first-class standard.”

Spokesperson for Southern XLs



Southern XLs jazz band based in Maesteg, Bridgend



Every year our Board supports Welsh charities which make a difference

Every year we choose charities that tackle issues affecting our communities and residents. This year we have championed the work of two charities who make a real difference to the wellbeing of minority and marginalised young people, adults and communities.

In 2023 two charities which challenge racism and work with minority ethnic communities across Wales each received a £30k donation agreed by the Board. EYST (Ethnic Minorities & Youth Support Team) Wales and BMHS (Black Asian and Minority Ethnic Mental Health Support) will each receive £10k per annum for three consecutive years.

EYST is one of the leading organisations working with ethnic minority children, young people,

“Ethnic minority groups have been disproportionately affected by both the pandemic and the cost-of-living crisis, so we wanted to offer our support to organisations working in this area.”

Alex Ashton, Chair of the Board at Wales & West Housing Group

families and community groups in Wales. Every year its services help more than 5,000 individuals and it also plays an active role in supporting refugees, asylum-seekers and migrants.

The funding will help EYST to continue its work supporting ethnic minority children, young people and families, community

groups, refugees, asylum-seekers and migrants whilst continuing to challenge racism in wider society. It will help to increase awareness and understanding about the diverse communities living in Wales and improve community cohesion.

For BMHS, a non-profit organisation dedicated to

“The donation will enable us to expand our outreach initiatives and organise community workshops that promote mental wellbeing and resilience within the BAME community. We aim to create a supportive environment that encourages individuals to seek help, reduces stigma, and enhances mental health literacy.”

Alfred Oyekoya, Director of BHMS

inspiring mentally healthy Black Asian and Minority Ethnic communities in Wales and supporting marginalised communities, the donation will help to fund community workshops to promote mental wellbeing and resilience within BAME communities.

BMHS believes that mental health support should be accessible

to all, regardless of background or ethnicity. It understands the challenges faced by individuals from BAME communities and strives to address their needs by working in partnership with health boards and local authorities to make sure services are culturally sensitive and inclusive.

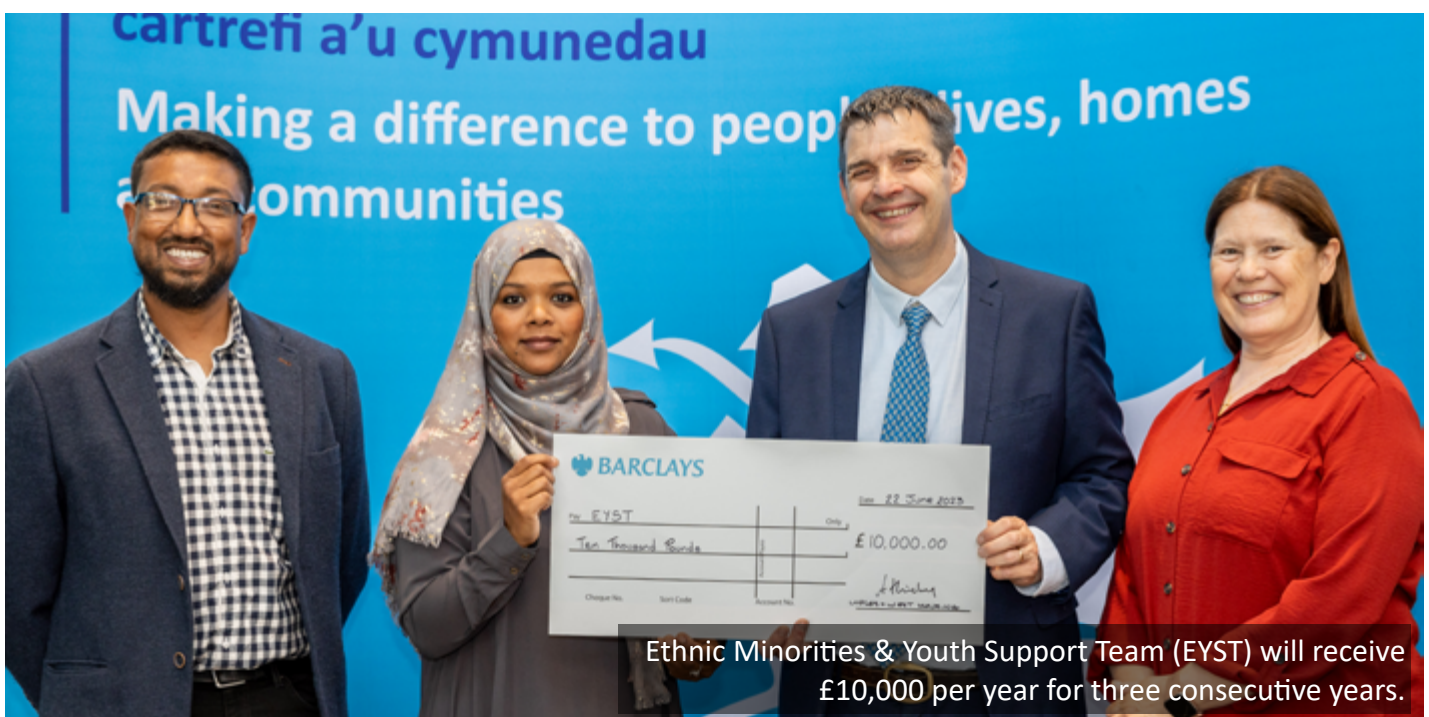
Corporate Sponsorship

In 2023 we continued to sponsor like-minded organisations whose values align with ours. We support organisations which bring about positive change in their communities.

- We were delighted to sponsor the TPAS Cymru National Tenant Engagement Conference for Wales.
- For the third year running we were lead sponsor for Cardiff Volunteer Awards, run by C3SC
- We were headline sponsors at the Disability Sports Wales awards event
- We supported the Tidy Wales Awards
- We continue to support the Get into Housing project, which helps to encourage and support people from disadvantaged backgrounds to start a career in housing

“This donation will make a significant difference to EYST Wales, especially during these challenging times of rising living costs and utilities. As a charity we rely on generous donations to continue our work. The timing of the donation is very welcome, given the current situation.”

Helal Uddin, Co-Director of Ethnic Minorities and Youth Support Team (EYST Wales)



Ethnic Minorities & Youth Support Team (EYST) will receive £10,000 per year for three consecutive years.

Governance

Board of Management

The Group is controlled by a Board of up to **15 Non-Executive members** in total:



All Board members are **Non-Executive** and hold one vote each.

The membership of the Board can include up to **four residents**.

Executive directors attend meetings to present reports but hold no voting rights.

The Association is registered:

- (i) as a charitable association under the Cooperative and Community Benefit Societies Act 2014 with Registration Number 21114R; and
- (ii) as a registered social landlord with the Welsh Government with Registration Number L032.



Board Members work collaboratively to guide the Group in the achievement of the stated aims and objectives. This includes overseeing finances, agreeing policies, monitoring performance, making strategic decisions and ensuring that all matters are conducted properly. The Board oversees the boards of subsidiary undertakings to consider the strategic direction of the Group and to ensure that the affairs of the Group are conducted properly.



The Board leads a robust, evidence-based and outcome-focused self-evaluation process that is corroborated by staff, residents and partners. This is part of the requirements of the regulation of the Association by the Welsh Government, which publishes a set of regulatory standards and guidance to make clear its expectations of the sector as a whole. The self-evaluation process adopted is an integral part of our approach to service and business planning. The Board have adopted the CHC Code of Governance and use the principles to guide their work.



Progress against improvement work is reviewed quarterly by the Board following presentation of Assurance, Performance and Improvement updates, which also embrace new challenges and opportunities. A suite of service trend measures are used by the Board to understand the operational effectiveness of the business and the quality of service for residents. The emphasis is on measuring what matters most to residents in terms of outcomes, along with indications of the type and frequency of resident demands, so that the Board and staff can easily see the changing profile of resident requests.

All Non-Executive Board and Committee Members across the WWH Group are remunerated. In taking this decision, the Board considered the views of residents and stakeholders as well as the future business requirements which included safeguarding the ability of the Association to continue to deliver high quality outcomes into the future by helping to retain, recruit and then hold to account, high calibre Board and Committee members, both now and in the future.

Board Members are entitled to receive properly authorised expenses incurred in the course of carrying out their duties. A Board Member acting in good faith will not be liable to the Association for any loss.



During 2023, some Board meetings took place virtually while others were held in person across Wales.

Board Members

Board Members are elected to the Board at the Annual General Meeting. They must either be an existing Board Member standing for re-election or be nominated by an existing shareholder.

Any Board member apart from Co-optees must be a shareholder of the Association. Shareholders are required to pay a one pound fee. Shareholders must demonstrate that they can positively contribute to the future management of the Association and are obliged to act in the interests of the Association, for the benefit of the community.

Potential shareholders can obtain more information by writing to

the Secretary of the Association at the address in note 33 or via our website.

The Board decides the selection criteria for shareholders wishing to stand for election as Board Members.

Requirements

It is required that Board Members and shareholders wishing to stand for election meet the following criteria:

- (a) they are not disqualified from acting as a director of a company, as a board member of another registered society or as a charity trustee for any reason;
- (b) they have not been convicted of an indictable offence which is not, or cannot be spent;
- (c) no composition has been made with that person's creditors generally in satisfaction of that person's debts;
- (d) they are not in material or serious breach of their tenancy agreement or lease which they have failed to rectify within a reasonable timeframe and are not in breach of a suspended possession order, nor subject to any of the following types of court order: anti-social behaviour order, anti-social behaviour injunction, demoted tenancy, or closure order;
- (e) no registered medical practitioner who is treating that person has given a written opinion to the Association stating that that person has become physically or mentally incapable of acting as a Board Member and may remain so for more than three months;
- (f) no court has made an order, by reason of that person's mental health, which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (g) they have not absented themselves from three consecutive meetings of the Board without special leave of absence;
- (h) they remain a shareholder or they are an employee of any other body whose accounts must be consolidated with those of the Association.

Co-opted Board Members

The elected Board can appoint up to three co-opted Members to the Board should the Board at any time determine that there is a need for supplementary skills. Co-opted Members are appointed for a finite period and have the same voting rights as elected Board Members, except that they are not entitled to vote on matters pertaining to positions of office to the Board or issues affecting shareholders.

The Board also decides the selection criteria in relation to individuals to be co-opted as Board Members.

Diversity and skills

The Board's requirements for the skills, qualities and experience of its Members are that collectively they must:



have a balance of appropriate skills including – but not limited to – business skills; governance; housing management; property and development; customer and communities;



reflect the communities wherein the Association operates; and



reflect the diversity of society in terms of a balance of protected characteristics under the Equality Act 2010.

Individually they must also:



be able to give the appropriate amount of time necessary to be trained, and to attend and prepare for meetings;



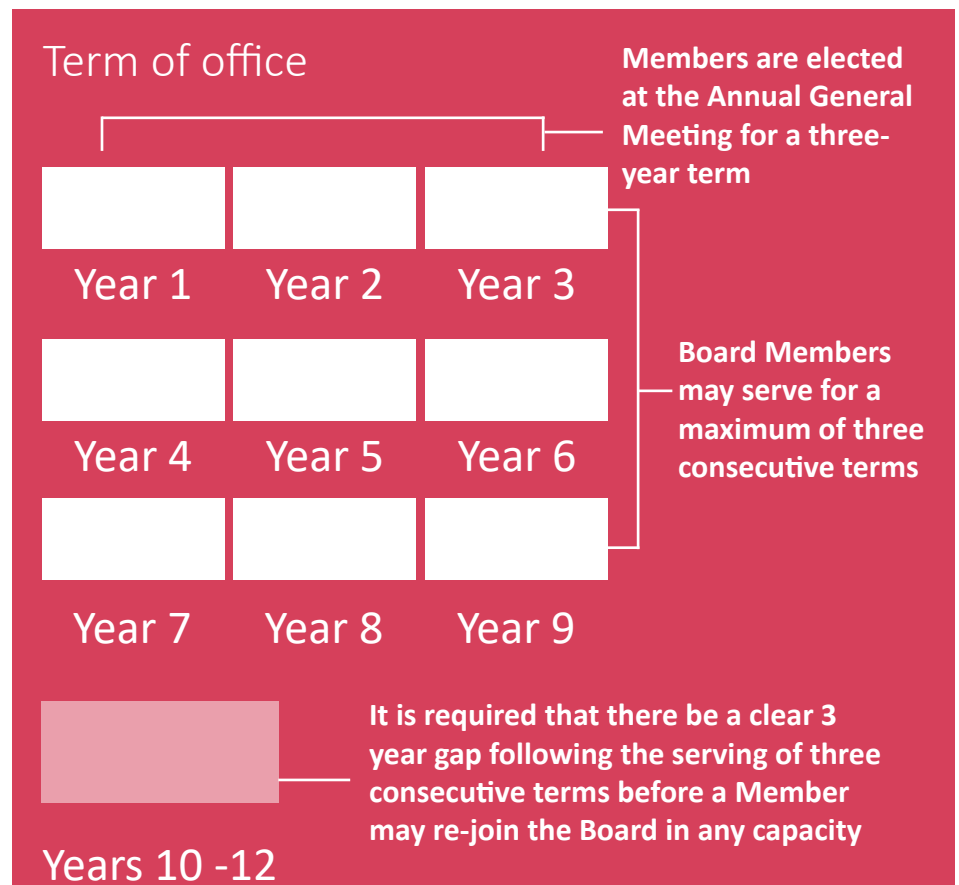
be able to work within a team and put personal considerations aside; and



demonstrate empathy with social housing.



An extensive appraisal exercise is undertaken annually which assesses the performance of both individual Board Members as well as the performance of the Board as a team. The extent to which the above requirements are met by Board Members and whether there are any gaps in terms of skills and experience are considered by the Board annually.



Board Member obligations

The collective and personal obligations of Board Members are to:



understand and uphold the values and objectives of the Association;



monitor, supervise and control the Association's affairs as custodians of its mission;



act objectively at all times and serve the interests of the Association before their own or the interests of any particular sector of the community served by the Association;



use independent judgement on strategy, performance and accountability;



ensure that an effective contribution is made by preparing for meetings and events, attending regularly and participating in discussions and decision-making;



act as ambassadors of the Association at all times;



acknowledge that an objective is to be 'business-like' without turning the Association into a business which trades purely for profit;



abide by the Association's Rules and Code of Governance; and



handle the appointment and dismissal of the Group Chief Executive.



The Board pictured at the December 2023 Board meeting

Board of Management



Alex Ashton

Chair of the Board

Alex was elected to the Board in 2016, and has also been a Member in the past. He is the pastor of a church in Bridgend, and has strong connections across the community and local government, having previously worked in a local authority benefits section for over ten years. Alex holds a Master of Business Administration, and has experience serving on various boards as a charity trustee and as a school governor.

Board attendance



John McPeake

Chair of the Audit & Assurance Committee and Chair of the Pensions Committee

John was co-opted to the Board in 2014 and elected in 2015. He also holds board roles at the UK Collaborative Centre for Housing Evidence and the Western Health and Social Care Trust. John was previously Chief Executive of the Northern Ireland Housing Executive, and he is an Honorary Professor of Planning at Queens' University, Belfast.

Board attendance

Key

- Attended
- Did not attend, but sent apologies
- Not yet appointed to the Board

Resignations

There were no resignations in 2023.

Retirements

When a Board member has served for nine years, they retire from the Board
There were no retirements in 2023.



This year's AGM was held in Cardiff in June



Members of the Board meet residents at their homes in Ffordd yr Haearn, Cardiff



Ian Anderson

Ian was co-opted to the Board in 2020 and elected in 2021. He has a BSc in Housing Management, Finance and Policy. He has worked within housing benefits, a BAME Housing Association and at a senior level in housing management and special needs. Ian lives in Neath where he pastors a church. He also works in a voluntary capacity as deputy lead chaplain for South Wales Police Force and as chaplain for Abertawe Bro Morgannwg Local Health Board.

Board attendance



Jemma Bere

Jemma was co-opted to the Board in 2014 and elected in 2015. She is Policy & Research Manager at Keep Wales Tidy, specialising in environmental sustainability and behaviour change. Jemma previously worked at CREW Regeneration Wales and Valleys Regional Park, and was a trustee with her local Women's Aid Group and Refuge. Jemma is a resident of the Association in Brecon.

Board attendance



Ruth Eley

Ruth was co-opted to the Board in 2015 and elected in 2016. Ruth has a social care background, with over 40 years experience in local government, the NHS and the Department of Health. She is a Trustee of Together in Dementia Everyday (TIDE) and a Director of the Life Story Network and of her own consultancy company, with recent work focusing on people with dementia and family carers.

Board attendance



Ivor Gittens

Ivor was co-opted to the Board in 2019 and elected to the Board in 2021. After a full career in the RAF he worked for the MOD as an Instructional Officer. He has extensive experience in volunteering, was a member of South Glamorgan Probation Committee and a member of South Wales Police Authority. Ivor also spent time as a member of the Independent Monitoring Board of Parc Prison, Bridgend, and is a member of the governing body of two Cardiff schools.

Board attendance



Alongside their usual duties, WWH Board members have visited:

- Our development of 50 flats at Colchester Avenue, Cardiff
- Residents who have recently moved in at Ffordd yr Haearn, Cardiff
- The official opening at Plas yr Ywen Extra Care Scheme, Holywell



Peter Harding

Peter filled a casual vacancy on the Board in 2019 and was elected to the Board in 2020. He was a manager in housing, specialising in supported housing, regional management and policy development and then a Welsh Government civil servant. He has run his own business and is currently a director of the Cadenza Partnership. He has extensive experience in the third sector, is Chair of Cardiff Pedal Power and Treasurer of Llantarnam Grange Arts Centre. He has a Masters in Public Administration.

Board attendance



Board members at Plas Yr Ywen, Holywell scheme opening



Aideen Hayden

Aideen was co-opted to the Board in November 2023. Aideen was Chair of the Board of Threshold (2001-21) and was the organisation’s voice in campaigning for and achieving major legislative changes on regulation of the rented sector in Ireland. Aideen was appointed to the Irish Senate (2011-16) and was Vice-Chair of the Parliamentary Finance Committee of the Irish Parliament.

Board attendance



Sarah Porter

Sarah joined the Probity & Audit Committee in 2014 and was elected to the Board in 2015. She is an experienced litigation solicitor, specialising in property litigation and tenancy disputes, working as Partner and Head of Litigation at RDP Law. In addition, Sarah is an accredited mental health lawyer representing clients at tribunal hearings to contest their detention under section, and representing clients within the Court of Protection. Sarah is also an accredited mediator.

Board attendance



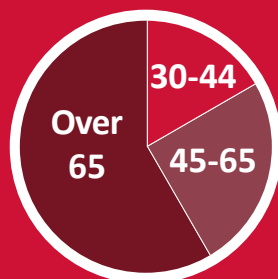
Christine Salter

Christine was co-opted to the Board in 2019 and elected in 2020. A qualified accountant for 40 years, Christine spent her career in local government with responsibility for the whole range of support services for the largest council in Wales. She has extensive experience in corporate finance, strategic management, policy development and financial planning. Since retiring in 2019 Christine has become involved in volunteering with both vulnerable children and adults and is a dementia friend.

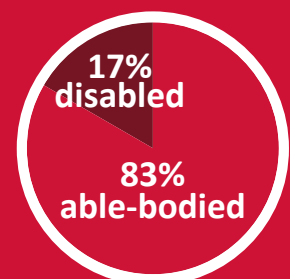
Board attendance

Board diversity

Age



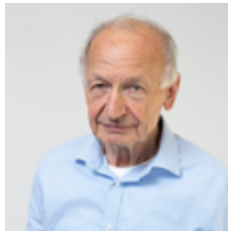
Disability





Kathy Smart

Kathy was elected to the Board in June 2017. Kathy has been a member in the past and has previously been Chair. She is very much involved in charity work and has an MSc in Entrepreneurship and Business. She has extensive experience in business and lives in the Vale of Glamorgan.



Kevin Taylor

Kevin was co-opted to the Board in 2016 and elected in 2017. Kevin is a qualified accountant with over 40 years' extensive experience. Since retiring in 2014 he has been active in housing, volunteering with a Cardigan-based charity and social enterprise. He lives in Pembrokeshire.



Joy Williams

Joy initially filled a casual vacancy on the Board in 2018 and was elected to the Board in 2020. She was previously a primary school teacher before working in a social services employability project. She has also run her own businesses. She has worked in the homelessness sector across Wales since 2012. Her areas of expertise include homelessness policy and legislation, and public sector commissioning.

Board attendance

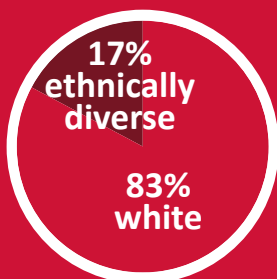
Board attendance

Board attendance

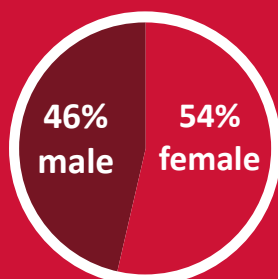


Representatives from Board supported charities attended the AGM

Ethnicity



Gender



Sexual Orientation



Internal control

The Board acknowledges its responsibility for ensuring that the Association and the Group have in place systems of controls that are appropriate to the various business environments in which they operate. These controls are designed to give reasonable assurance with respect to:



the reliability of financial information used within the Association and Group or for publication;



the maintenance of proper accounting records; and



the safeguarding of assets against unauthorised use or disposition.

It is the Board's responsibility to establish and maintain systems of internal financial control.

Such systems can only provide reasonable, and not absolute, assurance against material financial misstatement or loss. Key elements include ensuring that:



formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;



experienced and suitably qualified staff take responsibility for important business functions (annual procedures have been established to maintain standards of performance, as well as self-certification of risk control in all areas);



the Board undertakes a quarterly review of the major risks facing the Association and the Group;



forecasts are prepared which allow the Board to monitor the key business risks and objectives and progress towards financial plans set for the year and the medium term;



regular management accounts are prepared promptly, providing relevant, reliable and

up-to-date financial and other information and significant variances from forecasts are investigated as appropriate;



all significant new initiatives, major commitments and investment projects are subject to a formal authorisation procedure, through relevant committees comprising Board Members and others;



the Audit & Assurance Committee reviews reports from management, the Internal Audit Manager and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed and



formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Board is satisfied that the Association and the Group has adequate resources to continue in operational existence for the foreseeable future and at present sees no reason for the situation to change.

The Board is also satisfied that there are no weaknesses in the Association's system of internal control which might lead to material losses, contingencies or uncertainties which require disclosure in the financial statements or the auditor's report on the financial statements.

Assurance and risk

The Board is committed to the management of risk in order to achieve the vision and goals of the Group, and to remain a viable and sustainable business. Risk management is an important part of any successful organisation and its application can help ensure effective business and project planning so that resources and attention are appropriately directed.

The Board is clear on the key risks that the Group faces and is provided with suitable assurance that these risks have been properly mitigated. In general, the Group operates in a low-risk environment, with most of the events or occurrences that could adversely affect the business taking considerable time to impact. Any such events would

be identified through day to day management before significant harm occurs.

The Board receives quarterly updates on the operational and financial performance of the organisation, which incorporates the rolling self-evaluation undertaken to ensure continuous improvement in all areas of the business. This ensures that sufficient focus is maintained on those matters which, if not properly managed, pose a risk to the achievement of the Board's strategic objectives. This report also gives assurance that the necessary controls are both in place and effective in safeguarding the business and mitigating the risk of negative outcomes, or that action is being taken where this is not the case.

The Board has identified nine broad risk areas on which it requires assurance, and these cover all the elements necessary for the Group to be well governed, to deliver high quality, customer focused services and to be financially viable.

Within these nine areas are the Association's primary systems (the services that customers receive), the 'back office' services that enable the business to run including financial management, its provision for protecting staff and customer health and safety and its leadership and governance arrangements. Each risk area is backed up by a Board Assurance Framework.



WWH Board members visited residents at Ffordd Yr Haearn in Grangetown, Cardiff

Area of Risk	Risk Summary	What we pay attention to
Sufficient income	That sufficient income is NOT coming in	Self-payer income, benefit system income, empty property loss and grant income
Expenditure	That all expenditure is NOT controlled	Development spend, maintenance spend, overhead spend and staff and resource management
Availability of funds to meet commitments	That sufficient funds are NOT available to meet commitments	Cashflow and free cash, our credit score and our funding covenants
Adequate credit score	That we do NOT generate sufficient free cash to have a strong enough credit score to refinance existing borrowings and to source new borrowings	Free cash generation and credit score staying above 1.25 over a 5-year forecast period
Protection of ICT systems and data	That loss of systems or data is NOT prevented	Infrastructure capability, application capability, data access and control and device security
Property compliance	That homes are NOT safe for people to live in	Gas servicing, electrical safety, fire safety, legionella, asbestos, lift servicing, playgrounds and WHQS
Staff health and safety	That staff are NOT safe from harm or abuse	Physical abuse, accidents at work impact on health or safety at work and harassment or bullying
Governance and leadership	That the right staff and Board members are NOT in place so that WWHG stays legal and achieves its objectives	Number of skills of staff, Board composition and arrangements and regulatory guidance and judgements
Landlord service and business obligations	That the WWHG does NOT meet its landlord/service provider obligations	Repair obligations and property condition, breaches of tenancy and regulatory requirements

How we measure and report	Residual rating
Our new housing system and ways of working have allowed us to continue to collect more rent and reduce our arrears. The system tells us how much the resident is paying and how much comes from the benefits system. It alerts us when what we expected to happen has not happened so that we respond quickly. We turn properties around quickly, managing empty property loss, and maximise our grant income.	<p>MEDIUM</p> 
Costs are tightly controlled, with salary increases requiring Board approval. The majority of maintenance work is carried out by Cambria. We have long-term partnering arrangements to build new homes. All property reinvestment requires an annual approval and levels of work can be adjusted if unit costs increase.	<p>MEDIUM</p> 
We have a clear treasury strategy and have strong relationships with a range of lenders. There is detailed quarterly performance monitoring with a focus on free cash flow, our credit score and liquidity, with additional liquidity reporting at each Board meeting. Covenants are reviewed quarterly and funds are raised well ahead of time, backed up by a revolving credit facility.	<p>LOW</p> 
Understanding and making best use of existing staffing resource. Review the effectiveness and efficiency of maintenance delivery processes. Review of the scope and scale of investment in Information Management and ICT solutions. Review of procurement and evidence of value judgements. Quarterly financial Board reporting.	<p>MEDIUM</p> 
We have made a clear investment in assets and software, backed up by the expertise in our staff structure. We have clear disaster recovery and business continuity plans, which worked well during the pandemic. We carry out regular phishing checks and information security audits.	<p>MEDIUM</p> 
We have well established compliance assurance framework documents, backed up by established systems and skills. Much of our compliance work is carried out in-house using Cambria, with the rest with trusted long term partners. There is a tiered reporting system, with management level reports escalating to a quarterly property compliance report to Board.	<p>MEDIUM</p> 
We have a clear health and safety policy and the necessary risk assessments, backed up by a Board Assurance framework.	<p>LOW</p> 
We have experienced staff and a diverse Board which draws upon a wide range of skills. Our governance rules are robust and are in accordance with the Community Housing Cymru (CHC) Code of Governance. We have a rigorous self-assessment process in place to validate that the Board has access to the right information at the right time.	<p>LOW</p> 
We have a clear culture, with a set of operating principles that guide our staff. We carry out regular stock condition surveys and resident demand exercises to ensure that we shape and operate our services according to the needs of our residents.	<p>LOW</p> 

Executive team



Anne Hinchey
Group Chief Executive

Anne joined the Group in 1999 and became Group Chief Executive in 2006. She has extensive experience in the housing association, voluntary and local authority sectors in Wales, after starting as a rent collector in 1985 in Cardiff. Anne has a BA in History & Politics, an MA in Education, and is a Fellow of the Chartered Institute of Housing.



Joanna Davoile
Executive Director
(Operations)

Joanna has been working in the social housing sector in England and Wales for over 20 years, having spent most of that time working in the development of new-build social housing. Jo has a post-graduate leadership diploma, a Masters of Business Administration and is accredited as a Professional Coach. Jo joined the Group as Director of Development in 2019 before becoming Executive Director (Operations) in 2022.



Stuart Epps
Executive Director
(Finance & Development)

Stuart joined the Group in 2011 and became Executive Director (Finance and Development) at the start of 2016. He has over 30 years of experience as a senior finance professional in property development, consultancy in the built environment and construction in Wales. Stuart is qualified as a Chartered Accountant.



Steve Porter
Executive Director
(Assets)

Steve joined the Group in 2008 as Head of Property Services before becoming Operations Director in 2012 and Executive Director (Assets) in 2019. He is professionally qualified and has over 30 years of experience in a variety of senior leadership roles in housing, construction and maintenance.



Alex Stephenson
Executive Director
(Corporate Strategy & Services)

Alex has nearly 20 years' experience in housing. Having joined the Group in the finance department in 2004 as a qualified accountant, he went on to become the Head of Property Services and Director of Corporate Services before becoming Executive Director (Corporate Strategy & Services) at the beginning of 2020.

Shayne Hembrow was Deputy Chief Executive until his retirement in September 2023 after 17 years with the Group.

We want to thank Shayne for all of his hard work, vision and dedication over the years and wish him all the best for a very happy retirement.



Audit & Assurance Committee

Composition



The Audit & Assurance Committee is made up of at least 8 members, and up to 3 will be **independent members**.

Independent members have all the rights and responsibilities of the Board Members who sit on the Committee, but cannot be members of any other committees or the Board of the Association.

The Committee **meets at least three times annually**, this number being deemed appropriate to enable it to effectively undertake its role and responsibilities.

Responsibilities

The Audit & Assurance Committee is a sub-committee of the WWH Group Board, set up to help the Board fulfil its responsibilities.

The Committee is responsible for providing the Board with assurance by bringing independent scrutiny and challenge to any matter within its remit, as determined by the WWH Group Board. This includes oversight of:

- internal controls and risk management processes; and
- internal and external audit functions.

Board Members



John McPeake
Chair

Attendance



Ian Anderson

Attendance



Ruth Eley

Attendance



Peter Harding

Attendance



Christine Salter

Attendance



Kevin Taylor

Attendance

Independent Members



Paul Evans

Attendance



Kathy James

Attendance

Key

- Attended
- Did not attend, but sent apologies
- Not yet appointed

Resignations

Independent Members Lisa Lake and Julie Wilson-Thomas resigned during the year.

Internal Audit

The Internal Audit service is provided by a small inhouse team, led by an Internal Audit Manager who is a qualified member of the Institute of Chartered Accountants in England and Wales and who has many years of audit experience, both internal and external. The Internal Audit Manager is supported by an experienced Internal Auditor who is a member of the Chartered Institute of Internal Auditors.

Internal audit has unrestricted rights to access all documents, records and information, and no limitations are placed on the scope of work.

During 2023 as in previous years, Internal Audit work has been undertaken in accordance with a forward programme of

work approved by the Audit & Assurance Committee. The audit universe from which audit activities are drawn is closely linked to the Board Assurance Framework. This work assists the Committee in assessing the level of internal audit assurance provided across defined risk areas and activities.

At each Committee meeting held during the year, reports were received summarising the findings of routine internal audit work completed since the previous meeting as shown in the diagram opposite. In cases where weaknesses or other issues requiring attention have been identified, action plans were agreed with management and presented to the Committee for approval, after which the

Committee received regular updates on the status of agreed internal audit action plans.

Together with assessment of the control environment, internal audit work during the year encompassed a range of financial and operational thematic reviews in accordance with the programme of work determined by the Committee as detailed opposite. The Committee confirmed that management had taken appropriate steps to address weaknesses identified and concluded that the Association's framework of governance, risk management and internal control systems were adequate and effective.

External Audit

During the year, Beaver & Struthers were re-appointed for a further 3 years, having initially been appointed in 2020 as External Auditor for the Group. The Committee reviews the audit plan from the external

auditor each year and considers its scope and sufficiency. The Committee reviews reports from the external auditor following each significant element of audit work and meets at least once annually with the external auditor

without any executive directors or management present. The Committee has assessed the external auditor and considers them to be independent.

Effectiveness of internal control

The Committee concluded that the Association's framework of governance, risk management and internal control systems were adequate and effective. The Committee has reviewed its work for 2023 and considers that it is compliant with both its terms

of reference and the relevant provisions of the CHC Code of Governance.

External audit did not note any material weaknesses in the accounting and internal control systems during their

audit. The Committee feels that the Association has in place a system of controls that is appropriate to the various business environments in which it operates, and that no significant weaknesses in these systems have been identified.

March 2023

Follow up on Direct Debits

Forward programme of internal audit work

Private meeting with internal auditor

Update on progress with implementing internal audit actions

Review of Group External audit management letter for the year ended 31 December 2022

Private meeting with external auditor

Pre-Board review of 2022 annual report and financial statements

July 2023

Review of thematic internal audit reports:

- Health & Safety
- Gas Safety
- Asbestos
- Direct Debits
- Lettings
- Statutory Registers

Update on progress with implementing internal audit actions

Forward programme of internal audit work

Review of Corporate Operating Model

Committee Away Day - role of the committee

October 2023

Review of thematic internal audit reports:

- Service Charges
- Electrics
- Data Integrity
- Health & Safety Update

Update on progress with implementing internal audit actions

Forward programme of internal audit work

Approval of external audit plan for the year ended 31 December 2023

Re-approval of the contract for external auditors

CHC Code of Governance – annual review of compliance

Presentation on Business Continuity / Cyber Security

January 2024

Review of thematic internal audit reports:

- Damp & Mould
- Former arrears management
- Recruitment

Update on progress with implementing internal audit actions

Forward programme of internal audit work

Internal Audit ratings

Summary of internal audit activities

Review of the 2023 interim external audit report

Review of Committee terms of reference

Annual report on compliance with regulatory requirements

Annual Report of the Audit & Assurance Committee

Pensions Committee

Composition



The Pensions Committee is comprised of up to five members, of whom up to two can be independent members.

The Committee is advised by an independent actuary appointed by the Association who attends every meeting.

The Board also has the option to appoint independent members with pensions experience to the committee, but this option is not required at present.

The Committee **meets at least three times per year**, or more often as may be required.

Board Members



John McPeake
Chair

Attendance



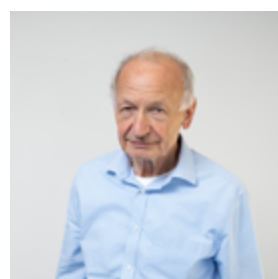
Peter Harding

Attendance



Christine Salter

Attendance



Kevin Taylor

Attendance

Ian Anderson and Ruth Eley attended the March 2023 meeting, but stood down thereafter as the Board decided to reduce the number of current members on the committee to four.

Key

- Attended
- Did not attend, but sent apologies

Responsibilities

The Pensions Committee is a sub-committee of the WWH Group Board, set up to help the Board fulfil its responsibilities.

The Committee is responsible for providing the Board with assurance by bringing independent scrutiny and challenge to any matter within its remit, as determined by the WWH Group Board.

The Committee has oversight of the Wales & West Housing Group Pension Plan (WWHGPP) and any other pension arrangements with a view to making recommendations to Board and to the independent trustee of the WWHGPP.

The Committee reviews the investment performance of the defined benefit section of the WWHGPP. In doing so it receives reports from the Trustee of the scheme and advice from an independent actuarial adviser

appointed by WWH. The Committee may propose changes to the Trustee of the WWHGPP.

The Committee reviews the tri-annual valuation of the defined benefit section of the WWHGPP. In doing so it receives advice from an independent actuarial adviser appointed by WWH on the reasonableness of assumptions used and the accuracy of the data used by the Trustee to prepare the valuation. The Committee may propose

March 2023

- Presentation on the draft valuation results

June 2023

- Approval of valuation results

September 2023

- Update on pension scheme
- Presentation on scheme performance
- Presentation by TPT on how the scheme is run

January 2024

- Update on pension scheme, including scheme performance
- Presentation of First Watch report
- Forward work programme

Pension valuation

The first triennial valuation of the Wales & West Housing Group Pension Plan (WWHGPP), which is the Group's pension scheme administered by The Pensions Trust (TPT), took place as at 30 September 2022. The scheme is run as an open to accrual stand-alone defined benefit scheme, with an investment strategy focused on investment growth, with a higher allocation to growth assets.

The Committee was clear that the assumptions underpinning the valuation should reflect this and should ensure that future service rates remained at affordable levels for both staff and the Group. This was achieved, with successful challenges made on a number of points with the scheme actuary. The actuarial surplus in the scheme at 30 September 2022 was agreed at £3.8m. A reduction in future service rates was agreed for both staff and the Association, which took effect in July 2023. Recent rises in gilt rates have meant that the current estimate of the actuarial surplus is £7.9m as at the year end. The accounting (rather than actuarial surplus) is in the table to the right.

changes to the valuation to the Trustee of the WWHGPP.

The Committee recommends the split of any changes to contributions required to the defined benefit section of the WWHGPP to the Board.

The Committee considers the overall performance of the Trustee of the WWHGPP and may propose to the Board a change of Trustee if appropriate.

The Committee monitors the performance of the defined contribution section of the WWHGPP. In doing so it receives reports from the Trustee of the scheme and advice from an independent actuarial adviser appointed by WWH. The Committee may propose a different provider of defined contribution pensions to the Board if appropriate.

Summary of key accounting movements

WWHGPP Pension Scheme	£m
Accounting pension surplus at 31 December 2022	10,604
Normal deficit contributions	967
Normal future service contributions	790
One-off contribution	1,100
Current service cost and expenses	(1,289)
Changes in assumptions (mainly increased gilt rate)	(2,538)
Accounting pension surplus at 31 December 2023	9,634

Statement of Board Responsibility

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations. The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to

prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Association and of the Income and Expenditure for the period of account.

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

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



The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

It has general responsibility for taking reasonable steps to safeguard the assets of the Group and Association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information on the Group's websites.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Compliance

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in the 2022 SORP for Registered Social Housing Providers.

The Strategic Report was approved on 23 July 2024 and signed on it's behalf by:



Mr Alex Ashton
Chair of the Board

Our new development of 6 flats and houses at Penmaenhead overlooking Old Colwyn.

Auditor's report to the members of Wales

for the year ended 31 December 2023

Opinion

We have audited the financial statements of Wales & West Housing Association Limited (the Association) and its subsidiaries (the Group) for the year ended 31 December 2023 which comprise the Consolidated and Association Statement of Comprehensive Income, the Consolidated and Association Statement of Changes in Reserves, the Consolidated and Association Statement of Financial Position, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 December 2023 and of the Group's income and expenditure and 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 Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for opinion

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

in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the

& West Housing Association Limited

Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on the matters prescribed under Housing for Wales Circular HFW 02/10 "Internal controls and reporting"

In our opinion, with respect to the Board's statement on internal financial control:

The Board has provided the disclosures required by the Circular and the statement is not inconsistent with the information of which we are aware from our audit work on the financial statements.

Matters on which we are required to report by exception

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

- the Association has not maintained a satisfactory system of control over transactions; or

- the Association has not kept adequate accounting records; or
- the Association's financial statements are not in agreement with books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 44, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.

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

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing

SORP 2022, the Housing and Regeneration Act 2008, the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015, tax legislation, health and safety legislation, and employment legislation.

- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of

the Group's activities and the regulated nature of the Group's activities.

- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit,

there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

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



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

Date: 25 July 2024

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2023

	Notes	GROUP			ASSOCIATION		
		2023 £'000	2022 Continuing Operations £'000	2022 Discontinued Operations £'000	2022 Total £'000	2023 £'000	2022 £'000
Turnover	2	78,147	74,080	5,394	79,474	80,265	77,051
Operating expenditure	2	(61,775)	(58,422)	(5,393)	(63,815)	(63,935)	(61,482)
Surplus on sale of property fixed assets	5	3,112	17,401	-	17,401	3,112	17,401
Deficit on sale of other fixed assets	4	(14)	(495)	-	(495)	(14)	(499)
Operating surplus	4	19,470	32,564	1	32,565	19,428	32,471
Interest receivable	6	3,792	821	-	821	4,045	955
Interest payable	7	(9,737)	(9,812)	-	(9,812)	(9,737)	(9,812)
Financing – pension deficit	29	1	37	-	37	1	37
Movement in fair value of investments	14	18	(745)	-	(745)	18	(745)
Write off of intercompany loan		-	(218)	-	(218)	-	(218)
Surplus before tax		13,544	22,647	1	22,648	13,755	22,688
Taxation	8	(46)	(19)	-	(19)	(52)	(20)
Surplus for the year		13,498	22,628	1	22,629	13,703	22,668
Other comprehensive income							
Actuarial (loss)/ gain in respect of defined benefit pension scheme	28	(2,538)	11,504	-	11,504	(2,538)	11,504
Total comprehensive income for the year		10,960	34,132	1	34,133	11,165	34,172

All activities in 2023 are continuing operations.

Consolidated Statement of Changes in Reserves

for the year ended 31 December 2023

	GROUP		ASSOCIATION	
	2023 Total reserves £'000	2022 Total reserves £'000	2023 Total reserves £'000	2022 Total reserves £'000
At 1 January	132,197	98,064	132,448	98,276
Surplus from statement of comprehensive income	10,960	34,133	11,165	34,172
At 31 December	143,157	132,197	143,613	132,448

Total reserves are solely comprised of the comprehensive income reserve for both the Association and the Group.

Consolidated Statement of Financial Position

for the year ended 31 December 2023

	Notes	GROUP		ASSOCIATION	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Tangible fixed assets					
Housing land and buildings – gross cost	11	925,126	882,316	921,589	879,185
– depreciation	11	(151,699)	(143,235)	(151,699)	(143,235)
	11	773,427	739,081	769,890	735,950
Other tangible fixed assets	12	18,989	19,179	18,925	19,094
Fixed asset investments					
HomeBuy and LCHO loans receivable	13	12,943	12,283	12,943	12,283
Other investments	14	10,049	8,778	10,049	8,778
Total fixed assets		815,408	779,321	811,807	776,105
Current assets					
Stock	15	2,542	2,131	2,542	2,131
Trade and other debtors: amounts falling due within one year	16	5,635	7,061	11,982	10,034
Trade and other debtors: amounts falling due after more than one year	17	25,450	26,281	25,450	26,281
Cash and cash equivalents	18	77,825	81,278	74,377	78,833
		111,452	116,751	114,351	117,279
Current liabilities					
Creditors: amounts falling due within one year	20	(27,852)	(27,159)	(26,699)	(24,231)
Social housing and other government grants: amounts falling due within one year	22	(3,256)	(3,160)	(3,256)	(3,160)
Net current assets		80,344	86,432	84,396	89,888
Total assets less current liabilities		895,752	865,753	896,203	865,993
Non-current liabilities					
Creditors: amounts falling due after more than one year	21	(388,220)	(385,667)	(388,220)	(385,667)
Social housing and other government grants: amounts falling due after more than one year	22	(373,970)	(358,376)	(373,970)	(358,376)
Defined Benefit Pension asset	29	9,634	10,604	9,634	10,604
Provisions for liabilities	25	(39)	(117)	(34)	(106)
Total net assets		143,157	132,197	143,613	132,448
Capital and reserves					
Called-up share capital	26	-	-	-	-
Total reserves		143,157	132,197	143,613	132,448
Total capital and reserves		143,157	132,197	143,613	132,448

The financial statements on pages 56 to 90 were approved by the Board on 23 July 2024 and were signed on its behalf by:



Chair of the Board – Mr A Ashton



Group Chief Executive – Mrs A Hinchey

Consolidated Statement of Cash Flows

for the year ended 31 December 2023

	GROUP		ASSOCIATION	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Operating surplus	19,470	32,565	19,428	32,471
Adjustments for non-cash items:				
Depreciation of tangible fixed assets	14,379	13,746	14,361	13,729
Government grants utilised in the year	(3,527)	(3,404)	(3,527)	(3,404)
Surplus on sale of property fixed assets	(3,112)	(17,401)	(3,112)	(17,401)
Deficit on sale of other fixed assets	14	495	14	499
Working capital movements:				
(Increase)/decrease in stock	(360)	(338)	(411)	(582)
Decrease/(increase) in trade and other debtors	1,646	(661)	1,570	(660)
(Decrease)/increase in trade and other creditors	(1,858)	891	(2,109)	815
Pension costs contributions payable	(979)	(2,151)	(979)	(2,151)
Proceeds of sale of other fixed assets	10	338	-	329
Net cash generated from operating activities	25,683	24,080	25,235	23,645
Interest received	2,924	263	3,177	377
Interest and mortgage fees paid	(11,558)	(10,877)	(11,558)	(10,877)
Difference between pension costs charged in operating surplus and pension cashflows	1,044	(376)	1,044	(376)
Taxation paid	13	(20)	13	(20)
Purchase of other replacement fixed assets	(1,734)	(3,364)	(1,734)	(3,364)
Adjustments for reinvestment in existing properties:				
Component replacements	(7,230)	(7,076)	(7,230)	(7,076)
Free cash generated before and after loan repayments	9,142	2,630	8,947	2,309
Cash flow from investing activities				
Purchase and development of properties	(35,220)	(43,648)	(36,028)	(41,047)
One off pension contribution	(1,100)	(10,000)	(1,100)	(10,000)
Proceeds of sale of LCHO properties (note 5)	2,292	1,115	2,292	1,115
Proceeds of sale of land and other housing properties (note 5)	4,182	22,771	4,182	22,771
(Increase)/decrease in amounts invested in subsidiaries	(2,745)	86	(2,745)	86
Grants received	24,224	15,209	24,224	15,209
Cash flow from financing activities				
New secured loans and use of revolving credit facilities	(1,038)	17,079	(1,038)	17,079
Land for housing loans (repaid)/received	(3,190)	4,705	(3,190)	4,705
Increase in cash and cash equivalents from continuing operations	(3,453)	9,947	(4,456)	12,227
Cash flows from discontinued operations	-	(53)	-	-
Net (decrease)/increase in cash and cash equivalents	(3,453)	9,894	(4,456)	12,227
Cash and cash equivalents at the beginning of the year	81,278	71,384	78,833	66,606
Cash and cash equivalents at the end of the year	77,825	81,278	74,377	78,833

1 Principal accounting policies

Basis of preparation

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 (registration number: 21114R) and is a registered social landlord (Welsh Government registration number: L032). The Association is a public benefit entity and adopted charitable rules with effect from 20 January 2005.

The Association's wholly-owned subsidiaries are incorporated as limited liability companies under the Companies Act 2006. These are listed below under "basis of consolidation" and in note 30.

Basis of consolidation

The consolidated accounts include the results of Wales & West Housing Association Limited (the "Association") and its trading subsidiary undertakings: Cambria Maintenance Services Limited ("Cambria"), Enfys Developments Limited ("Enfys") and Castell Homes Limited ("Castell Homes"). Consolidated accounts are required under the Co-operative and Community Benefit Societies Act 2014. Wales & West Housing Association Limited is the parent entity and the ultimate parent entity.

Basis of accounting

The financial statements have been prepared in accordance with applicable financial reporting standards in the United Kingdom, including the Statement of Recommended Practice for "Accounting by Registered Social Housing Providers" as updated in 2022 ("SORP 2022"). Where any conflict arises between the SORP 2022 and applicable financial reporting standards, then the SORP prevails. The financial statements comply with the Accounting Requirements for Social Landlords Registered in Wales – General Determination 2015.

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

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

a. Development expenditure. The Group capitalises development expenditure. Initial capitalisation of costs will follow Board approval of any land purchases or scheme approval including relevant funding. In determining whether a project is likely to cease, management monitors the development and considers if any changes have occurred that will result in impairment.

1 Principal accounting policies (continued)

b. Impairment. The Group considers whether indicators of impairment exist in relation to housing properties. Indicators include a reduced demand for a property or a reduction in the value of land or of an investment. Property units are grouped into cash generating units (CGUs), each of which is normally a scheme. The test is essentially to confirm that the aggregate book value of the group of property units in each CGU is not greater than the value of those units to the business. The value to the business of properties held as fixed assets is normally the Existing Use Valuation (EUV), which is one of the bases used by external professional property valuers. The Association also considers expected future performance of the asset. Any impairment loss is charged to the Statement of Comprehensive Income.

c. Pension benefits. The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, earnings growth, price inflation and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.

The Association runs The Wales & West Housing Group Pension Plan. The scheme is administered by the Pensions Trust.

The Group makes payments to defined benefit and defined contribution pension schemes on behalf of its employees. The schemes are funded by contributions partly from the employees and partly from the Group, at rates determined by independent actuaries. The assets of the defined benefit schemes are invested separately from the assets of the Group. The pensions cost for the TPT Retirement Solutions Growth Plan have been calculated as if they arose within defined contribution schemes, as permitted by Financial Reporting Standard 17 (Retirement Benefits), as it is not possible to separately identify the scheme assets attributable to the Group on a consistent and reasonable basis.

The defined benefit pension scheme is accounted for under FRS102 to show the Group's pension fund net asset on the Statement of Financial Position. Employer contributions for future service liability are shown in the statement of comprehensive income, along with all employer contributions to the defined contribution scheme. Further details are given in notes 28 and 29.

d. Tangible fixed assets. Other than investment properties, tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions the remaining life of the asset and projected disposal values.

e. Going concern. The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted in the most recently updated business plan. The Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the current economic environment. Based on these assessments, given the measures that could be undertaken to mitigate the current economic conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

1 Principal accounting policies (continued)

Housing properties – fixed asset capitalisation and depreciation (note 11)

Housing properties are stated at cost less accumulated depreciation. The cost of properties is their purchase price together with incidental costs of acquisition and direct costs of the development process. Where properties come into the ownership of the Association under section 106 agreements, these are often purchased for less than cost price. Where this is the case, such properties are recognised at their true cost price, with imputed cost being the difference between this and the amount paid and shown within property acquisitions, with the corresponding liability shown as imputed grant.

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

Depreciation is charged on the historic cost of property components. Grant is allocated to land and the main structure of the property, but not to other components. Freehold land is not depreciated. Leasehold land is depreciated over the remaining term of the leases. The depreciable amount is written off over the estimated useful lives from the date of purchase or construction handover. Housing properties in the course of construction are not depreciated.

Surplus or deficit on disposals of properties are recognised as at the date a sale becomes certain. The surplus or deficit arising on a disposal of a property is the difference between the sale price and the aggregate of the depreciated cost, and any associated costs of disposal such as legal and valuation fees. The grant originally received on a property is repayable in full in the case of a disposal, demolition or change of use to an ineligible activity, save that in circumstances where the Welsh Government considers appropriate it may reduce the amount repayable. Where this arises on a disposal, the grant repayable so waived is added back to the surplus or deficit on that disposal.

Some properties have been partially sold under shared ownership arrangements. Occupiers have full use of the properties concerned and pay a rent which reflects the proportional interest retained by the Association. In the Statement of Financial Position, the Association's interest is shown as a proportion of the original historic cost, corresponding to the interest retained. Occupiers are able to purchase some or all of that retained interest at a corresponding proportion of the current market value when that transaction arises.

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

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

Main structure	Years		Years
Houses	150	Flats	100

1 Principal accounting policies (continued)

Other components	Years	Other components	Years
Back doors	40	Kitchen: general needs	17
Bathrooms	30	Kitchen: retirement housing	20
Heating systems	15	Roofs	80
Electrics	60	Windows: installed pre-2000	20
Front doors	30	Windows: installed post-2000	40

Components on leasehold land are depreciated over the shorter of the above and the remaining period of the lease. Where a grant is received against the cost of a component, the cost of the component is reduced by the net present value of the future grant and that net present value figure is shown as a debtor in the accounts.

Other fixed assets (note 12)

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

Asset class	Years	Asset class	Years
Motor vehicles	2 to 4	Site equipment – door entry systems	10 to 25
Office equipment – Solar PV panels	25	Site equipment – other	3 to 10
Office equipment – other	3 to 10	Commercial and other buildings	Up to 60
Site equipment – lifts	10 to 25		

Assets relating to software are stated at cost less accumulated amortisation. The cost includes the purchase price of software together with the direct cost of individuals' time spent developing and integrating the software.

ICT Staff time is analysed as projects are ongoing to ensure the accuracy and completeness of time capitalised. Capitalised time is assigned the same useful economic life as the underlying software.

If any indicators of impairment are identified, impairment is assessed based on the gross cost of each item of software, inclusive of staff costs incurred in development and integration.

Capitalised interest

Interest on loans financing developments is capitalised up to the date of completion of the scheme.

Financial instruments

The calculation of fair value of financial instruments at each reporting date is based on active market quotes if available, where not available a valuation technique is used to make maximum use of market inputs and transactions, using a discounted cash flow analysis.

Loans and bonds (notes 20 and 21)

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

1 Principal accounting policies (continued)

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

Grants (note 22)

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

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

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

Value added tax (VAT)

The Association and Cambria form a single VAT Group which is partially exempt for VAT purposes. Claims are made for repayment of VAT on items that are specifically allowable. Expenditure is shown inclusive of irrecoverable VAT.

Enfys and Castell Homes are each separately registered for VAT purposes. As these entities can recover VAT, if incurred, expenditure is shown exclusive of VAT.

Lease accounting

Where the risks and rewards of ownership in relation to individual leases indicate that it should be accounted for as a finance lease or an operating lease.

Analysis of Social Housing Income and associated costs

A detailed analysis of the social housing turnover and related operating costs is provided in note 2(b). Management of operations represents the costs to the Association of running the core operations of the organisation. Tenancy management services represents the costs to the Association associated with administering lettings, collecting rental receipts and dealing with anti-social behaviour issues. Costs for administering repairs to properties and keeping them safe are split between routine maintenance, major repairs expenditure and management of component replacement in the detailed analysis. Development and other costs include development overheads which are not directly attributable to bringing fixed assets into their working condition for their intended purpose. These include related costs associated with safety, compliance, data security and application of information systems. Central overheads are allocated based upon the utilisation of key personnel within each area.

2 Analysis of turnover and costs

Turnover represents rental and service charge income (both net of empty properties), Gift Aid, fees and revenue-based grants receivable. All turnover is derived from operations within the United Kingdom.

(a) Particulars of turnover, operating costs and operating surplus

	GROUP					
	Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
	2023	2023	2023	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2b)	75,821	(59,445)	16,376	72,883	(57,231)	15,652
Other social housing activities						
Surplus on sale of property fixed assets	-	-	3,112	-	-	17,401
Deficit on sale of other fixed assets	-	-	(14)	-	-	(495)
Non-social housing activities						
Lettings	45	(62)	(17)	48	(53)	(5)
Other	2,281	(2,310)	(29)	2,584	(2,536)	48
Care and support	-	42	42	3,959	(3,995)	(36)
Total	78,147	(61,775)	19,470	79,474	(63,815)	32,565

	ASSOCIATION					
	Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
	2023	2023	2023	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2b)	75,821	(61,567)	14,254	72,883	(59,274)	13,609
Other social housing activities						
Gift Aid	2,122	-	2,122	2,043	-	2,043
Surplus on sale of property fixed assets	-	-	3,112	-	-	17,401
Deficit on sale of other fixed assets	-	-	(14)	-	-	(499)
Non-social housing activities						
Lettings	45	(62)	(17)	48	(53)	(5)
Other	2,277	(2,306)	(29)	2,077	(2,155)	(78)
Total	80,265	(63,935)	19,428	77,051	(61,482)	32,471

A reconciliation from the management accounts is shown in note 2(c).

2 Analysis of turnover and costs (continued)

(b) Particulars of income and expenditure from social housing lettings

	GROUP & ASSOCIATION			
	General needs and sheltered housing £'000	Supported housing £'000	2023 total £'000	2022 total £'000
Income				
Rent receivable	63,819	1,925	65,744	62,283
Service charge income	6,544	-	6,544	7,188
Grant income for support services	-	6	6	8
Amortisation of social housing and other government grants	3,527	-	3,527	3,404
Turnover from social housing lettings	73,890	1,931	75,821	72,883
Operating costs				
Management of operations	(6,864)	(155)	(7,019)	(6,443)
Tenancy management services	(7,280)	(164)	(7,444)	(6,524)
Service charges	(8,481)	-	(8,481)	(9,112)
Routine maintenance	(17,080)	(384)	(17,464)	(15,607)
Major repairs expenditure	(4,598)	(104)	(4,702)	(6,436)
Management of component replacement	(1,530)	(34)	(1,564)	(1,308)
Bad debts	(156)	(3)	(159)	(6)
Depreciation of housing properties	(12,058)	(271)	(12,329)	(11,854)
Costs of scheme closure	-	-	-	-
Development and other costs	(2,352)	(53)	(2,405)	(1,984)
Operating costs on social housing lettings	(60,399)	(1,168)	(61,567)	(59,274)
Operating surplus on social housing lettings - Association	13,491	763	14,254	13,609
Gift Aid Adjustment (note 2a)	2,122	-	2,122	2,043
Operating surplus on social housing lettings - Group	15,613	763	16,376	15,652
Memorandum information:				
Rent foregone due to properties being vacant	528	20	548	763

The costs of repairs and maintenance are expensed as incurred on the basis of work done at the balance sheet date.

2 Analysis of turnover and costs (continued)

(c) Particulars of income and expenditure from social housing lettings

	ASSOCIATION					
	2022	2023	Subsidiary	Analysis of non-	Allocation	2023
	management	management	donations	social housing	of central	total
	accounts	accounts	to parent	activities	costs	total
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rent receivable	62,156	65,587	-	157	-	65,744
Service charge income	8,388	7,790	-	(1,246)	-	6,544
Sundry resident income	127	157	-	(157)	-	-
Supporting people income	8	6	-	-	-	6
Sundry income	569	478	-	(478)	-	-
Amortisation	-	-	-	-	3,527	3,527
Gift Aid	-	-	2,122	-	-	2,122
Non-social housing lettings	-	-	-	45	-	45
Non-social housing other activities	-	-	-	2,277	-	2,277
Turnover	71,248	74,018	2,122	598	3,527	80,265
Operating costs						
Management of operations	-	-	-	-	(7,019)	(7,019)
Tenancy management services	-	-	-	-	(7,444)	(7,444)
Service charge cash costs	(7,777)	(6,397)	-	1,045	(2,620)	(7,972)
Service charge depreciation	(515)	(525)	-	16	-	(509)
Routine maintenance	(12,914)	(14,364)	(1,472)	-	(1,628)	(17,464)
Major repairs and cyclical maintenance	(4,899)	(3,017)	(382)	-	(1,303)	(4,702)
Management of component replacement	-	-	-	-	(1,564)	(1,564)
Bad debts	(6)	(159)	-	-	-	(159)
Depreciation of housing properties	(11,854)	(12,329)	-	-	-	(12,329)
Development and other costs	-	-	(268)	-	(2,137)	(2,405)
Staff costs (excl. site staff)	(14,109)	(17,499)	-	-	17,398	(101)
Overheads	(5,649)	(5,424)	-	-	5,525	101
Other depreciation	(1,360)	(1,501)	-	-	1,501	-
Amortisation	3,404	3,527	-	-	(3,527)	-
Non-social housing lettings	-	-	-	-	(62)	(62)
Non-social housing other activities	-	-	-	(1,659)	(647)	(2,306)
Operating costs	(55,679)	(57,688)	(2,122)	(598)	(3,527)	(63,935)
Surplus on sale of property fixed assets	17,401	3,112	-	-	-	3,112
Deficit on sale of other fixed assets	(499)	(14)	-	-	-	(14)
Operating surplus	32,471	19,428	-	-	-	19,428

3 Directors and employees

(a) Directors' emoluments

The remuneration paid to the directors (defined as Board Members and the executive officers) of the Group and Association was:

	GROUP & ASSOCIATION	
	2023	2022
	£'000	£'000
Aggregate emoluments of executive officers, excluding pension contributions	831	762
Aggregate emoluments of Board Members	68	54
Emoluments of highest paid director (Group Chief Executive), excluding pension contributions	183	173
Pension contributions in respect of executive officers	53	55

Retirement benefits are accruing under defined benefit schemes (note 29). The Group Chief Executive received payment in lieu of pension contributions of £39,755 (2022: £37,080). The Association makes no contributions to any individual pension arrangement.

The full time equivalent number of key management personnel (including the Group Chief Executive) whose remuneration (excluding pension contributions) payable during the period fell within the following bands was:

	GROUP & ASSOCIATION	
	2023	2022
£0 – £9,999	13	12
£100,000 – £109,999	-	1
£110,000 – £119,999	1	-
£120,000 – £129,999	-	2
£130,000 – £139,999	4	1
£140,000 – £149,999	-	-
£150,000 – £159,999	-	1
£160,000 – £169,999	-	-
£170,000 – £179,999	-	1
£180,000 – £189,999	1	-

	GROUP & ASSOCIATION	
	2023	2022
	£'000	£'000
Expenses reimbursed to directors not chargeable to UK taxation	7	9

3 Directors and employees (continued)

(b) Employee information

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

	GROUP		ASSOCIATION	
	2023 Staff	2022 Staff	2023 Staff	2022 Staff
Actual	644	811	466	443
Full time equivalent	605	737	433	406
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Staff costs				
Wages and salaries	22,592	23,853	16,943	14,186
Social security costs	2,120	2,378	1,597	1,511
Pension costs	2,764	2,857	2,512	2,505
Total staff costs	27,476	29,088	21,052	18,202

The 2023 pension costs are split as follows:

	GROUP		ASSOCIATION	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Defined benefit scheme contributions	790	2,332	790	2,332
Actuarial movement	893	(470)	893	(470)
Current Service cost	1,683	1,862	1,683	1,862
Expenses paid	151	93	151	93
Defined contribution scheme contribution	930	902	678	550
Pension costs	2,764	2,857	2,512	2,505

4 Operating Surplus

	GROUP		ASSOCIATION	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Surplus for the year from continuing activities is stated after charging/(crediting):				
Depreciation of housing properties	12,329	11,854	12,329	11,854
Depreciation of other fixed assets	2,050	1,892	2,032	1,875
Amortisation	(3,527)	(3,404)	(3,527)	(3,404)
Deficit on sale of other fixed assets	14	495	14	499
Bad debts	159	6	159	6
Auditors' remuneration (including VAT):				
– In their capacity as auditors	56	57	37	37
– In respect of other services	5	5	5	5
Operating lease rentals:				
– Land and buildings	35	35	-	-
– Other assets	304	601	106	114

5 Surplus on sale of housing fixed assets

	GROUP & ASSOCIATION	
	2023 £'000	2022 £'000
Sales proceeds:		
– Other land and housing	4,265	23,003
– Selling costs	(83)	(232)
	4,182	22,771
– LCHO properties	2,292	1,115
Cost of sales:		
– LCHO property cost (note 13)	(1,670)	(932)
– LCHO property grant (note 23)	76	148
– Housing property cost (note 11)	(1,968)	(17,836)
– Housing property depreciation (note 11)	623	6,213
– Housing property grant amortisation (note 22)	(364)	(3,852)
– HomeBuy cost (note 13)	(197)	(243)
– Recycled capital grant additions (note 21)	(904)	(1,130)
– Cost of sales from current assets (note 15)	(548)	(614)
– Grant written back - fixed assets (note 22)	1,088	11,075
– Grant written back - current assets (note 20)	305	443
– Grant written back - HomeBuy (note 23)	197	243
Surplus on sale of fixed assets	3,112	17,401

6 Interest receivable

	GROUP		ASSOCIATION	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Interest receivable from investments	3,792	821	3,739	837
Intra-group interest receivable	-	-	306	118
Total interest receivable	3,792	821	4,045	955

7 Interest payable

	GROUP & ASSOCIATION	
	2023 £'000	2022 £'000
On bank loans and overdrafts and other loans:		
Repayable wholly or partly in more than five years	11,225	10,646
Development interest capitalised	(943)	(901)
Finance charge in respect of the pension deficit (note 28)	(545)	67
Total interest payable	9,737	9,812

8 Corporation tax

	GROUP		ASSOCIATION	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Tax charged for the period 25% (2022: 19%)				
Current tax				
UK Corporation Tax	52	39	52	39
Adjustment in respect of prior years	-	(19)	-	(19)
Current taxation charge	52	20	52	20
Deferred tax				
Origination and reversal of temporary differences	(6)	(1)	-	-
Tax on ordinary activities	46	19	52	20

The tax on profit before tax for the year is lower (2022: lower) than the standard rate of corporation tax in the UK of 25% (2022: 19%).

The differences are reconciled below:

	GROUP		ASSOCIATION	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Profit before tax	13,544	22,648	13,755	22,688
Corporation tax at standard rate	3,183	4,303	3,233	4,311
Effects of:				
Charitable surpluses not taxed	(2,240)	(4,103)	(2,230)	(4,084)
Income not chargeable for tax purposes	(891)	(162)	(951)	(188)
Adjustment in respect of prior years	(6)	(19)	-	(19)
Tax charge for the year	46	19	52	20

The Association adopted charitable rules with effect from 20 January 2005. The effects of activities relating directly to the charitable objectives of the Association have been split out above, leaving the effects of income generated through feed-in tariffs in respect of solar panels installed on a number of the Association's properties and income generated through the renewable heat initiative as taxable income.

The remaining members of the Group are subject to Corporation Tax at the prevailing rate of taxation. Current taxable profits of subsidiary undertakings have been reduced by remittance of profits to the Association, benefitting from Gift Aid relief. Deferred tax liabilities are provided for in full as they arise.

9 Operating leases

At 31 December, total commitments under operating leases were as follows:

	2023			GROUP 2022		
	Land and buildings £'000	Office equipment £'000	Site equipment £'000	Land and buildings £'000	Office equipment £'000	Site equipment £'000
Leases expiring:						
Within one year	-	-	-	-	6	-
Between two and five years	72	-	180	106	-	217
Between six and ten years	-	29	176	-	-	200
Total operating lease commitments	72	29	356	106	6	417

	2023			ASSOCIATION 2022		
	Land and buildings £'000	Office equipment £'000	Site equipment £'000	Land and buildings £'000	Office equipment £'000	Site equipment £'000
Leases expiring:						
Within one year	-	-	-	-	6	-
Between two and five years	-	-	180	-	-	217
Between six and ten years	-	29	176	-	-	200
Total operating lease commitments	-	29	356	-	6	417

Costs in respect of operating leases are amortised on a straight-line basis over the lease term.

10 Properties in management

	GROUP & ASSOCIATION					
	Opening properties at 1 Jan 2023	New build	Purchase of homes	Homes sold or held for sale	Transfers	Closing properties at 31 Dec 2023
General needs and retirement	10,497	132	24	(65)	1	10,589
Extra Care	280	-	-	-	-	280
Intermediate rented	191	-	8	(1)	(4)	194
Supported housing	240	6	-	-	3	249
Social housing homes	11,208	138	32	(66)	-	11,312
Shared ownership	24	-	-	-	-	24
Managed for private owners	1,088	-	(27)	-	-	1,061
Commercial properties	5	-	-	-	-	5
Non social-housing properties	1,117	-	(27)	-	-	1,090
Total properties owned and managed	12,325	138	5	(66)	-	12,402

11 Tangible fixed assets – housing land and buildings

	Social Housing Properties £'000	Shared ownership £'000	Properties in the course of construction £'000	GROUP Total £'000
Cost				
At 1 January 2023	820,303	584	61,429	882,316
Property acquisitions	5,023	-	36,172	41,195
Social housing properties completed	25,614	-	(25,614)	-
LCHO units completed (note 13)	-	-	(1,590)	(1,590)
Imputed costs	1,840	-	-	1,840
Component additions to existing properties	7,161	-	-	7,161
Component disposals	(2,608)	-	-	(2,608)
Housing property disposals (note 5)	(1,968)	-	-	(1,968)
Transfer to current assets (note 15)	(1,138)	-	-	(1,138)
Redevelopment of properties	(455)	-	373	(82)
At 31 December 2023	853,772	584	70,770	925,126
Depreciation				
At 1 January 2023	143,098	137	-	143,235
Charge for the year	12,325	4	-	12,329
Component disposals	(2,608)	-	-	(2,608)
Housing property disposals (note 5)	(623)	-	-	(623)
Transfer to current assets (note 15)	(475)	-	-	(475)
Redevelopment of properties	(159)	-	-	(159)
At 31 December 2023	151,558	141	-	151,699
Net book value				
At 31 December 2023	702,214	443	70,770	773,427
At 1 January 2023	677,205	447	61,429	739,081
			2023	2022
			£'000	£'000
Housing properties comprise:				
Freehold land and buildings			900,734	858,280
Long leasehold land and buildings			24,323	23,967
Short leasehold land and buildings			69	69
Total housing land and buildings			925,126	882,316

11 Tangible fixed assets – housing land and buildings (continued)

	Social Housing Properties £'000	Shared ownership £'000	Properties in the course of construction £'000	ASSOCIATION Total £'000
Cost				
At 1 January 2023	820,303	584	58,298	879,185
Property acquisitions	5,023	-	35,766	40,789
Social housing properties completed	25,614	-	(25,614)	-
LCHO units completed (note 13)	-	-	(1,590)	(1,590)
Imputed costs	1,840	-	-	1,840
Component additions to existing properties	7,161	-	-	7,161
Component disposals	(2,608)	-	-	(2,608)
Housing property disposals (note 5)	(1,968)	-	-	(1,968)
Transfer to current assets (note 15)	(1,138)	-	-	(1,138)
Redevelopment of properties	(455)	-	373	(82)
At 31 December 2023	853,772	584	67,233	921,589
Depreciation				
At 1 January 2023	143,098	137	-	143,235
Charge for the year	12,325	4	-	12,329
Component disposals	(2,608)	-	-	(2,608)
Housing property disposals (note 5)	(623)	-	-	(623)
Transfer to current assets (note 15)	(475)	-	-	(475)
Redevelopment of properties	(159)	-	-	(159)
At 31 December 2023	151,558	141	-	151,699
Net book value				
At 31 December 2023	702,214	443	67,233	769,890
At 1 January 2023	677,205	447	58,298	735,950
			2023	2022
			£'000	£'000
Housing properties comprise:				
Freehold land and buildings			897,197	855,149
Long leasehold land and buildings			24,323	23,967
Short leasehold land and buildings			69	69
Total housing land and buildings			921,589	879,185

Works charged to existing properties that have been capitalised are shown above under component additions to existing properties. Works charged within the statement of comprehensive income account (net of associated staff costs) during 2023 amounted to £3,017,000 (2022: £4,899,000) – see note 2c.

12 Other tangible fixed assets

						GROUP
	Motor vehicles £'000	Office equipment £'000	Site equipment £'000	Freehold commercial property £'000	Freehold office property £'000	Total £'000
Cost						
At 1 January 2023	174	7,619	10,157	1,039	12,603	31,592
Reclassifications	-	743	-	(139)	(604)	-
Additions	-	759	937	5	184	1,885
Disposals	(30)	(75)	(3,456)	(1)	-	(3,562)
At 31 December 2023	144	9,046	7,638	904	12,183	29,915
Depreciation						
At 1 January 2023	142	4,192	5,789	241	2,049	12,413
Reclassifications	-	230	-	(9)	(221)	-
Charge for year	8	1,182	540	22	298	2,050
Eliminated on disposals	(26)	(72)	(3,439)	-	-	(3,537)
At 31 December 2023	124	5,532	2,890	254	2,126	10,926
Net book value						
At 31 December 2023	20	3,514	4,748	650	10,057	18,989
At 1 January 2023	32	3,427	4,368	798	10,554	19,179

						ASSOCIATION
	Motor vehicles £'000	Office equipment £'000	Site equipment £'000	Freehold commercial property £'000	Freehold office property £'000	Total £'000
Cost						
At 1 January 2023	61	7,532	10,022	1,039	12,603	31,257
Reclassifications	-	743	-	(139)	(604)	-
Additions	-	759	929	5	184	1,877
Disposals	-	(64)	(3,423)	(1)	-	(3,488)
At 31 December 2023	61	8,970	7,528	904	12,183	29,646
Depreciation						
At 1 January 2023	61	4,112	5,700	241	2,049	12,163
Reclassifications	-	230	-	(9)	(221)	-
Charge for year	-	1,180	532	22	298	2,032
Eliminated on disposals	-	(61)	(3,413)	-	-	(3,474)
At 31 December 2023	61	5,461	2,819	254	2,126	10,721
Net book value						
At 31 December 2023	-	3,509	4,709	650	10,057	18,925
At 1 January 2023	-	3,420	4,322	798	10,554	19,094

13 Fixed asset investments – HomeBuy and LCHO loans receivable

	GROUP & ASSOCIATION					
	2023			2022		
	HomeBuy £'000	Low Cost Home Ownership £'000	Total £'000	HomeBuy £'000	Low Cost Home Ownership £'000	Total £'000
At 1 January	7,953	4,330	12,283	8,196	4,090	12,286
Reclassification	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Imputed costs	-	937	937	-	388	388
Transferred from social housing (note 11)	-	1,590	1,590	-	784	784
Disposals (note 5)	(197)	(1,670)	(1,867)	(243)	(932)	(1,175)
At 31 December	7,756	5,187	12,943	7,953	4,330	12,283

HomeBuy loans are for equity loans to homeowners who were not otherwise able to fully afford their homes using commercially available mortgages under the scheme financed by the Welsh Government. The investment grants (note 23) represent the funding received from the Welsh Government for the above loans. These loans are stated at cost in accordance with Housing SORP 2022.

Low Cost Home Ownership (LCHO) represents the Association's stake in properties, where less than 100% ownership of the property was sold, primarily under Section 106 agreements where equity loans have been made, under low cost home ownership arrangements, to homeowners who were not otherwise able to fully afford their homes using commercially available mortgages. Equity loans are included in the balance sheet at historic cost.

The Association is entitled to a proportion of the market value corresponding to the equity interest at a time when homeowners either dispose of their HomeBuy or LCHO property or when they choose to repurchase some, or all, of the equity loan.

14 Fixed asset investments – other investments

	GROUP & ASSOCIATION	
	2023 £'000	2022 £'000
At 1 January	8,778	7,716
Additions	1,253	1,807
Withdrawals	-	-
Change in fair value	18	(745)
At 31 December	10,049	8,778

The closing balances represent investments to meet interest reserves required by certain long-term loans.

15 Stock

	GROUP		ASSOCIATION	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Completed properties	2,542	2,131	2,542	2,131
Work in progress	-	-	-	-
Total stock	2,542	2,131	2,542	2,131

Completed properties represent properties that are intended for sale. Movements across the year are as follows:

	Asset cost £'000	Accumulated depreciation £'000	Accumulated amortisation £'000	GROUP & ASSOCIATION	
				Associated expenses £'000	Properties held for sale £'000
At 1 January 2023	2,276	(680)	505	30	2,131
Disposals (note 5)	(642)	199	(106)	1	(548)
Transfer from property assets (note 11, 22)	1,138	(475)	296	-	959
At 31 December 2023	2,772	(956)	695	31	2,542

16 Trade and other debtors: amounts falling due within one year

	GROUP		ASSOCIATION	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Rent and service charge debtors	3,572	3,820	3,572	3,820
Bad debt provision for rent and service charges	(2,181)	(2,286)	(2,181)	(2,286)
Capital debtors	325	519	325	519
Housing Finance Grant debtor	831	802	831	802
Intra-group balances – loans (note 30)	-	-	4,505	1,840
Intra-group balances – Gift Aid (note 30)	-	-	2,122	2,043
Intra-group balances – trading (note 30)	-	-	-	-
Loans to employees	30	31	30	31
Other debtors and prepayments	3,058	4,175	2,778	3,265
Total debtors due within one year	5,635	7,061	11,982	10,034

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

	GROUP		ASSOCIATION	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Housing Finance Grant debtor	25,450	26,281	25,450	26,281
Intra-group balances – loans (note 30)	-	-	-	-
Total debtors due after more than one year	25,450	26,281	25,450	26,281

18 Cash and cash equivalents

Within the cash and cash equivalents balance is cash at bank and in hand, which represents funds which are readily available for the Group's day to day activities. Also included within the cash balance are Land for Housing Loans, held in Wales & West Housing Association bank accounts, that are ring-fenced for the sole purpose of purchasing land in order to develop and is therefore not readily available for use by the Group. This ring-fenced cash can also be seen within our Creditors: amounts falling due within one year, representing the associated liability.

Similarly, the Group holds sinking fund cash. This cash is also readily accessible, however solely for the purpose of property repair on behalf of leasehold home residents, hence why it is presented separately to the cash readily available for the Group's day to day trading.

The cash and cash equivalents balance can be split out as follows:

	GROUP		ASSOCIATION	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash and cash equivalents	76,494	77,934	73,046	75,489
Land for housing loan cash	200	1,890	200	1,890
Sinking funds	1,131	1,454	1,131	1,454
At 31 December	77,825	81,278	74,377	78,833

19 Movement in net debt

	GROUP			GROUP At 31 December 2023 £'000
	At 31 December 2022 £'000	Cashflow £'000	Non cash movement £'000	
Cash	81,278	(11,606)	-	77,825
Loans due in less than one year	(144)	-	(17)	(161)
Loans due in greater than one year	(321,378)		(12)	(321,390)
Land for housing loans	(8,690)	3,190	-	(5,500)
Total	(248,934)	(8,416)	(29)	(249,226)

	ASSOCIATION			ASSOCIATION At 31 December 2023 £'000
	At 31 December 2022 £'000	Cashflow £'000	Non cash movement £'000	
Cash	78,833	(4,456)	-	74,377
Loans due in less than one year	(144)	-	(17)	(161)
Loans due in greater than one year	(321,378)		(12)	(321,390)
Land for housing loans	(8,690)	3,190	-	(5,500)
Total	(251,379)	(1,266)	(29)	(252,674)

20 Creditors: amounts falling due within one year

	GROUP		ASSOCIATION	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Housing loans (note 21)	161	144	161	144
Land for housing loans	5,500	8,690	5,500	8,690
Rent and service charges received in advance	1,602	1,445	1,602	1,445
Grants received and receivable in advance	-	-	-	-
Imputed grants (note 24)	271	244	271	244
Corporation Tax	52	39	52	39
Taxation and social security	646	768	509	529
Pension provision (note 29)	12	12	12	12
Sinking fund deferred income	565	1,146	565	1,146
Accrued mortgage interest	2,998	3,018	2,998	3,018
Bond market issuance premium	445	445	445	445
Intra-group balances – trading (note 30)	-	-	4,178	508
Deferred heat initiative income	65	19	65	19
Grant on properties held for sale	1,797	1,356	1,797	1,356
Accruals and other deferred income	13,738	9,833	8,544	6,636
Total creditors due within one year	27,852	27,159	26,699	24,231

The sinking fund deferred income relates to certain residents that are required to contribute towards the costs of maintaining their properties. Monies received in advance of associated maintenance expenditure are credited to sinking fund deferred income accounts, to which interest is applied.

The bond market issuance premium relates to the difference between bond coupon rates and the effective rate of the bond issuances. This balance is spread over the bond term.

Movements in grant held on properties for sale are as follows:

	GROUP		ASSOCIATION	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
At 1 January	(1,357)	(1,051)	(1,357)	(1,051)
Disposals (note 5)	305	443	305	443
Transfer from property assets (note 22)	(745)	(749)	(745)	(749)
At 31 December	(1,797)	(1,357)	(1,797)	(1,357)

Notes to the financial statements

for the year ended 31 December 2023

21 Creditors: amounts falling due after more than one year

	GROUP & ASSOCIATION	
	2023 £'000	2022 £'000
Recycled capital grant fund	6,536	5,632
Housing loans (note 21)	321,390	321,378
Investment grants (note 23)	12,741	12,077
Imputed grants (note 24)	37,220	35,678
Bond market issuance premium	8,923	9,368
Other creditors	1,088	1,088
Deferred heat initiative income	324	435
Pension provision (note 29)	(2)	11
Total creditors due after more than one year	388,220	385,667

Housing loans are shown net of capitalised loan fees of £3,016,000 (2022: £3,189,000).

Housing loans are secured by specific charges on the Association's housing properties. Rates of interest during the year ranged from 1.60% to 12.01% (2022: 1.60% to 12.01%). The weighted average rate of interest for 2023 was 3.43% (2022: 3.38%). At 31 December 2023, 99% (2022: 99%) of loans bore interest at fixed rates, 0% (2022: 0%) at variable rates and 1% (2022: 1%) at index-linked rates.

The loans are repayable as follows:

	GROUP & ASSOCIATION	
	2023 £'000	2022 £'000
Amounts falling due:		
Within one year or less	161	144
Between one and two years	805	161
Between two and five years	3,396	3,358
In five years or more	317,189	317,859
In more than one year	321,390	321,378
Total housing loans	321,551	321,522

	GROUP & ASSOCIATION	
	2023 £'000	2022 £'000
Repayable otherwise than by instalments in more than five years	305,000	305,000
Repayable by instalments wholly or partly in more than five years	12,189	12,859
Total repayable in more than five years	317,189	317,859

21 Creditors: amounts falling due after more than one year (continued)

The movement on the recycled capital grant fund was as shown below:

	GROUP & ASSOCIATION	
	2023 £'000	2022 £'000
At 1 January	(5,632)	(3,944)
Additions during the year (note 5)	(904)	(1,130)
(Returns)/deductions during the year	-	(558)
At 31 December	(6,536)	(5,632)

22 Social housing and other government grants

	GROUP & ASSOCIATION			
	Social housing properties £'000	Shared ownership £'000	Properties in the course of construction £'000	Total £'000
Gross grant creditor				
At 1 January 2023	391,183	362	40,888	432,433
Property acquisitions	1,792	-	18,249	20,041
Schemes completed	13,617	-	(13,617)	-
Transfer to current assets (note 20)	(745)	-	-	(745)
Housing property disposals (note 5)	(1,088)	-	-	(1,088)
Redevelopment of properties	(275)	-	275	-
At 31 December 2023	404,484	362	45,795	450,641
Amortisation				
At 1 January 2023	70,793	104	-	70,897
Credit for the year	3,254	2	-	3,256
Transfer to current assets (note 15)	(296)	-	-	(296)
Housing property disposals (note 5)	(364)	-	-	(364)
Redevelopment of properties	(78)	-	-	(78)
At 31 December 2023	73,309	106	-	73,415
Net grant creditor				
At 31 December 2023	331,175	256	45,795	377,226
At 1 January 2023	320,390	258	40,888	361,536

Included within social housing properties grants are £1,257,000 (2022: £1,257,000) of non-repayable grants that are being amortised over the life of the relevant assets. The grants are amortised as follows:

	GROUP & ASSOCIATION	
	2023 £'000	2022 £'000
Within one year or less	3,256	3,160
Between one and two years	3,256	3,160
Between two and five years	9,768	9,480
In five years or more	360,946	345,736
In more than one year	373,970	358,376
Total grant creditor	377,226	361,536

Notes to the financial statements

for the year ended 31 December 2023

23 Investment grants

	2023			2022		
	HomeBuy £'000	Low Cost Home Ownership £'000	Total £'000	HomeBuy £'000	Low Cost Home Ownership £'000	Total £'000
At 1 January	7,811	4,266	12,077	8,054	4,026	12,080
Imputed costs	-	937	937	-	388	388
Disposals (note 5)	(197)	(76)	(273)	(243)	(148)	(391)
At 31 December	7,614	5,127	12,741	7,811	4,266	12,077

The investment grant is funding received from Welsh Government to fund the HomeBuy scheme, the assets of which are shown as a fixed asset investment (note 13). All amounts are due in more than one year.

24 Imputed grants

	GROUP & ASSOCIATION Social housing properties	
	2023 £'000	2022 £'000
Gross grant creditor		
At 1 January	37,017	32,386
Property acquisitions	1,840	4,631
At 31 December	38,857	37,017
Amortisation		
At 1 January	1,095	851
Credit for the year	271	244
At 31 December	1,366	1,095
Net grant creditor		
At 31 December	37,491	35,922
At 1 January	35,922	31,535

24 Imputed grants (continued)

The grants are amortised as follows:

	GROUP & ASSOCIATION	
	2023 £'000	2022 £'000
Within one year or less	271	244
Between one and two years	271	244
Between two and five years	813	732
In five years or more	36,136	34,702
In more than one year	37,220	35,678
Total grant creditor	37,491	35,922

25 Provision for liabilities

Provisions are recognised where uncertainty exists in relation to the timing or amount that may be required to settle potential liabilities. Any amounts provided are charged to the Statement of Comprehensive Income and credited to the Statement of Financial Position based upon the Group's best estimate of potential liabilities.

	Insurance £'000	Deferred taxation £'000	GROUP
			Total £'000
At 1 January 2023	106	11	117
Utilised during the year	13	-	13
Released during the year	(85)	-	(85)
Additions during the year	-	(6)	(6)
At 31 December 2023	34	5	39

	ASSOCIATION	
	Insurance £'000	Total £'000
At 1 January 2023	106	106
Utilised during the year	13	13
Released during the year	(85)	(85)
Additions during the year	-	-
At 31 December 2023	34	34

Insurance provisions relate to excess levels on known insurable claims yet to be settled. Contractual obligations represented a provision on certain property leases and supplier contracts which have now been settled. Deferred taxation arises in Cambria, a wholly-owned subsidiary, and relates to the timing of tax payments due.

26 Called-up share capital

	GROUP & ASSOCIATION	
	2023	2022
	£	£
Allotted, issued and fully paid		
At 1 January	42	49
Issued during the year	3	-
Shares cancelled during the year	(5)	(7)
At 31 December	40	42

Shareholders have no entitlement to dividends or return of monies in respect of shares surrendered or a share in the assets in the event of the Association being wound up. No shareholder may hold more than one share and each share carries only one vote.

27 Capital commitments

	GROUP & ASSOCIATION	
	2023	2022
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	39,877	35,311
Capital expenditure that has been authorised by the Board but has not yet been contracted for	51,262	48,671

The Group and the Association intends to fund this expenditure from a combination of free cash generation, social housing grants, current cash balances and loan drawdown from existing loan facilities.

28 Pension schemes

The Group runs the Wales & West Housing Group Pension Plan which is administered by the Pensions Trust. The scheme assets and liabilities are recorded in the Statement of Financial Position at their FRS 102 valuation as at 31 December 2023.

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 Standards issued by the Financial Reporting Council, set out the framework for funding defined occupational pension schemes in the UK.

The Association participates in two defined benefit pension schemes, the Wales & West Housing Group Pension Plan (WWHGPP) and The Growth Plan. The Growth Plan is a multi-employer scheme and is closed to new members. Within WWHGPP, the Association has an open Career average revalued earnings (CARE) scheme with a 1/80th accrual rate. The Final salary scheme with a 1/60th accrual rate closed to new

28 Pension schemes (continued)

members on 31 March 2011 and the CARE scheme with a 1/60th accrual rate closed to new members on 30 June 2019. The Association makes contributions of 7.6% to the three WWHGPP schemes. The Association also covers the cost of life assurance premiums for members.

The Associations share of assets and liabilities in respect of the Wales & West Housing Group Pension Scheme are assessed by the scheme actuary as at each reporting date, based upon key assumptions including discount rates, mortality rates, inflation, future salary costs and future pension costs. Changes in the Association's net asset or net liability in respect of its obligations to scheme members are recognised within Other Comprehensive Income and have an impact on the Group's financial reserves.

It is not possible for the Association to obtain sufficient information to enable it to account for Growth Plan as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme. The Association's current liability in respect of the Growth Plan is shown in note 29.

Both schemes are 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 Group also makes contributions up to a maximum of 9.5% of salary into the defined contribution section of the WWHGPP. The Group also covers the cost of life assurance premiums for members. Contributions to the scheme in the year are shown in note 3b.

WALES & WEST HOUSING GROUP PENSION SCHEME

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

	31 December 2023	31 December 2022
	£'000	£'000
Fair value of plan assets	64,552	62,626
Present value of defined benefit obligation	54,918	52,022
Net defined benefit asset to be recognised	9,634	10,604

Reconciliation of opening and closing balances of the defined benefit obligation

	Period ended	Period ended
	31 December 2023	31 December 2022
	£'000	£'000
Defined benefit obligation at start of year	52,022	90,616
Current service cost	1,683	1,862
Expenses	-	-
Interest expense	2,551	2,048
Member contributions	10	11
Actuarial losses/(gains) due to scheme experience	(396)	6,306
Actuarial losses/(gains) due to changes in demographic assumptions	(736)	(4,645)
Actuarial losses/(gains) due to changes in financial assumptions	1,391	(43,201)
Benefits paid and expenses	(1,607)	(975)
Defined benefit obligation at end of year	54,918	52,022

28 Pension schemes (continued)

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

	Period ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
Fair value of plan assets at start of year	62,626	77,273
Interest income	3,096	1,981
Experience on plan assets (excluding amounts included in interest income) - gain/(loss)	(2,279)	(30,036)
Employer contributions made (note 29)	790	2,332
One off contribution	1,100	10,000
Past deficit contributions (note 29)	967	2,133
Expenses	(151)	(93)
Total contributions by the employer	2,706	14,372
Member contributions	10	11
Benefits paid and expenses	(1,607)	(975)
Fair value of plan assets at end of year	64,552	62,626

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 December 2023 was £817,000 (2022: £22,152,000).

Defined benefit costs recognised in Statement of Comprehensive Income

	Period from 1 January 2023 to 31 December 2023 £'000	Period from 1 January 2022 to 31 December 2022 £'000
Employer contributions made (note 3b)	790	2,332
Actuarial movements (note 3b)	893	(470)
Current service cost	1,683	1,862
Expenses (note 3b)	151	93
Net interest expense (note 7)	(545)	67
Defined benefit costs recognised in Statement of Comprehensive Income	1,289	2,022

28 Pension schemes (continued)

Defined benefit costs recognised in Other Comprehensive Income

	Period ended 31 December 2023	Period ended 31 December 2022
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) - (loss)/gain	(2,279)	(30,036)
Experience gains and losses arising on the plan liabilities - gain/(loss)	396	(6,306)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	736	4,645
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss)/gain	(1,391)	43,201
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - (loss)/gain	(2,538)	11,504
Total amount recognised in other comprehensive income - (loss)/gain	(2,538)	11,504

Assets

	31 December 2023	31 December 2022
	£'000	£'000
Equity	14,667	7,660
Bonds	1,368	706
Property	4,264	4,554
Cash	3,956	4,202
Other	20,248	25,506
Liability Driven Investment	20,049	19,998
Total assets	64,552	62,626

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

28 Pension schemes (continued)

Key assumptions

	31 December 2023	31 December 2022
	% per annum	% per annum
Discount Rate	4.70%	4.90%
Inflation (RPI)	2.95%	3.05%
Inflation (CPI)	2.70%	2.75%
Salary Growth	2.70%	2.75%
Allowance for commutation of pension for cash at retirement	90% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 December 2023 imply the following life expectancies:

2023

	Life expectancy at age 65 (Years)
Male retiring in 2023	20.2
Female retiring in 2023	22.8
Male retiring in 2043	21.5
Female retiring in 2043	24.2

2022

	Life expectancy at age 65 (Years)
Male retiring in 2022	20.7
Female retiring in 2022	23.1
Male retiring in 2042	21.9
Female retiring in 2042	24.6

29 Pensions movements

2023	GROUP & ASSOCIATION		
	WWHGPP	SHPS	Total
	DB	AVC	
	£'000	£'000	£'000
At 1 January 2023	(10,604)	23	(10,581)
Other comprehensive income movement	2,538	-	2,538
Comprehensive income	1,289	-	1,289
Financing costs pension deficit	-	(1)	(1)
Past deficit (note 28)	(967)	(12)	(979)
One off contribution	(1,100)	-	(1,100)
Employer contributions (note 28)	(790)	-	(790)
At 31 December 2023	(9,634)	10	(9,624)
Due less than 1 year (note 20)	-	12	12
Due greater than 1 year (note 21)	-	(2)	(2)
Defined benefit	(9,634)	-	(9,634)
	(9,634)	10	(9,624)

2022	GROUP & ASSOCIATION		
	WWHGPP	SHPS	Total
	DB	AVC	
	£'000	£'000	£'000
At 1 January 2022	13,343	78	13,421
Other comprehensive income movement	(11,504)	-	(11,504)
Comprehensive income	2,022	-	2,022
Financing costs pension deficit	-	(37)	(37)
Past deficit (note 28)	(2,133)	(18)	(2,151)
One off contribution	(10,000)	-	(10,000)
Employer contributions (note 28)	(2,332)	-	(2,332)
At 31 December 2022	(10,604)	23	(10,581)
Due less than 1 year (note 20)	-	12	12
Due greater than 1 year (note 21)	-	11	11
Defined benefit	(10,604)	-	(10,604)
	(10,604)	23	(10,581)

30 Subsidiary undertakings

The Association has three directly-owned subsidiary undertakings following the transfer of Plas Morolwg to the Leaseholders of the scheme in July 2023. All subsidiaries have the same registered office as the Association, see note 33:

Undertaking	Percentage Owned	Registration Number
Cambria Maintenance Services Limited	100	7389484
Enfys Developments Limited	100	8292315
Castell Homes Limited	100	11149375

Transactions between group companies throughout the financial period and amounts outstanding at year-end were as follows:

2023	Turnover £'000	Billed to Group companies £'000	Intercompany trading balance £'000	Loan Balance owed to Association £'000	Gift Aid owed to Association £'000
Cambria	15,764	15,761	(157)	65	1,854
Enfys	27,879	27,879	(4,022)	4,440	268
Castell Homes	-	-	1	-	-
			(4,178)	4,505	2,122

2022	Turnover £'000	Billed to Group companies £'000	Intercompany trading balance £'000	Loan Balance owed to Association £'000	Gift Aid owed to Association £'000
Cambria	15,185	15,121	(244)	85	1,754
Enfys	29,114	29,114	(192)	1,900	286
Castell Homes	442	-	1	-	3
Castell Ventures	5,394	1,435	(73)	(145)	-
			(508)	1,840	2,043

31 Contingent Liability

In March 2024, the Association became aware that it may not have been fully compliant with potential legal obligations arising under the Renting Homes (Wales) Act 2016 (“the Act”) and the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022 (as amended) (“the Regulations”) during the year ending 31 December 2023. On identification of the issue, immediate steps were taken to ensure full compliance with legal obligations as the Association is currently able to understand them. Following legal advice, the Association, along with a number of Registered Social Landlords, have issued a claim in 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 are currently before the High Court, hence any financial effect cannot currently be measured with sufficient reliability at this time. A high level of uncertainty also exists regarding whether there is any possibility of reimbursement. Any such consideration can only follow the resolution of the above matter.

32 Related party transactions

The following member of the Board who served during the year was also a resident of the Association during the year:

Ms J Bere Elected 19 April 2014

The above member was on standard Association resident agreement terms and was forbidden from using their position on the Board to their personal advantage.

The Group Chief Executive and Executive Director (Finance and Development) held positions on the Board of Slocombe Cottages for the Aged and Infirm, which is a Registered Charity. During the year Slocombe made an annual rent subsidy to the Association of £24,975 (2022: £23,777).

33 Parent undertaking and controlling party

Wales & West Housing Association Limited is legally owned by its shareholders, but they are restricted and have no personal beneficial interest in the assets of the Association. The ultimate controlling party is considered to be the Board.

Wales & West Housing Association Limited is the parent of the largest and smallest groups in which the results of the Group are consolidated. Copies of the consolidated financial statements are available on request from the registered address of the Association:

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Llanishen
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