

Bron Afon Community Housing Ltd

Annual Report & Financial Statements

For the year ended 31 March 2025



01	Who We Are	3
	Our Purpose, Vision and Values	4
	Bron Afon by Numbers	5
	Message from Our Chair and Chief Executive	6
	Corporate Strategy	8
02	Social	9
	Great Customer Service	10
	High Quality Homes	11
	Communities and Partnerships	13
03	Environment	16
	Build New Homes	17
	Provide Quality Homes	18
	Build Strong Partnerships	20

04	Governance	23
	Regulatory Judgement and Board Overview	24
	Investing in Our People	26
	Valuing Diversity	27
	Raising Our Customers' Voice	29
	Financial Review and Benchmarking	31
	Bron Afon Pension Schemes	32
	Our Strategic Management Team	36
	Governance and Risk	37
	Statement of Internal Control	40
	Statement of Board Members' Responsibilities	43
05	Financial	44
	Independent Auditor's Report to the Members	45
	Group Statement of Comprehensive Income	49
	Bron Afon Statement of Comprehensive Income	50
	Group Statement of Financial Position	51
	Bron Afon Statement of Financial Position	52
	Group Statement of Changes in Reserves	53
	Bron Afon Statement of Changes in Reserves	54
	Group Statement of Cash Flows	55
	Group Free Cash Flow	56
	Bron Afon Statement of Cash Flows	57
	Bron Afon Free Cash Flow	58
	Notes to the Financial Statements	59



01 Who We Are



Who We Are

At Bron Afon we believe everyone should have a place they are proud to call home. Our purpose is to provide good quality, safe warm homes. They are essential to a decent life, better physical and mental health, and our wellbeing.

We are a not-for-profit organisation and manage more than 8000 properties in Torfaen. A large local employer with around 400 colleagues, most of whom live locally, we want to be part of the long-term solution to the housing crisis and inequalities in our society. We work with people and partners who want to make a difference in the communities where they live. Our strategy focuses on four areas which help us deliver our vision and aims.



Great Customer Service



Provide High Quality Homes



Build New Homes



Partnerships and Communities

“What I love about my job is providing a good service to our customers, making the community a better place to live.”

Our People Promise

We believe our people are our best asset and the key to our success. We want to provide a great place to work and promote and embed equality, inclusion, and diversity into every aspect of our business. We create learning and development opportunities and trust colleagues to make sound decisions which support everyone to work safe and be well.

- Respect**
We treat everyone with respect. We are fair, inclusive, and understanding
- Engage**
We are proud to be owned by the community. We work with people and partners to make lives better.
- Ambition**
We want to be the best at what we do. We are ambitious in creating opportunity and addressing inequality. We bring passion, creativity, and commitment to our work.
- Listen**
We listen, we understand, and we are trusted to act.



Our Vision and Values

Our vision sets out our purpose and aims. Our values guide how we work with each other and with our customers and partners.

Bron Afon’s Vision

“We are trusted to help build safe and strong communities where everyone has a place they are proud to call home.”

Values

Our values are Respect, Engage, Ambition, Listen. They are REAL

Bron Afon By Numbers



Our Homes

17,777

Residents

11,153

Homes managed

40

New homes delivered

229

People provided with a place they can call home

Our Customers

4.6/5

Rating from customers interacting with our services

£17,870

Community Benefit spend

404

Customers registered on Your Voice

Quality Homes

8,125

Assets

33,864

Repairs completed

£16.45m

Capital improvements spend on our homes

99.67%

Compliance on health and safety measures

Our Organisation

412

Colleagues working here

659.90

Best Company Score (2024) giving us 1* organisation accreditation

Our Chair and Chief Executive

Alan Brunt
Craig Nowell



Our Chair and Chief Executive

We are pleased to present the progress and performance of Bron Afon over the last financial year. Our financial statements in this report will show it's been another challenging year. We continue to balance current economic pressures with fulfilling our obligations as a social landlord. Our focus as a Board is building strong foundations so we can progress with our strategic priorities of:

- Great customer service
- Providing homes that people are proud to call their own
- Decarbonising our homes and making them more energy efficient
- Supporting people and the communities they live in
- Strengthening our business

Delivering quality housing, upholding regulatory standards, maintaining financial stability, and engaging with our customers are all essential to our role as a responsible and trusted social landlord and community mutual.

This last year, we have seen real progress in all of these areas and achieved green ratings for governance and financial viability from the Welsh Government regulator.

We want to make sure we are a financially stable business for the long term. We transitioned from the expensive LGPS pension scheme to a defined contribution model, with a fixed employer contribution of 12% for all employees. This change promotes fairness across the workforce, ensuring equal pension benefits for all, while also eliminating the investment risks associated with defined benefit schemes.

We're grateful for our 'Your Voice' members: customers who work with us to shape our services. Their voices steer the decisions we make and help us understand where we need to do better. We also value working with our partners. Strong relationships and a shared commitment to working together benefits everyone.

We are committed to delivering new homes and shaped our development team to include the expertise needed to meet our target of delivering 210 additional homes over the next three financial years.

The updated Welsh Housing Quality Standard (WHQS23) sets out an ambitious and forward-looking framework for housing in Wales, placing increased emphasis on quality and sustainability. However, the requirements of the standard, particularly those relating to sustainability, present notable challenges for the sector in terms of both cost and resource availability. We remain committed to working closely with our peers and the Welsh Government to identify practical solutions.

This financial year, we started a four-day working week pilot, where colleagues work 80% of their contracted hours, receiving 100% of their pay and delivering 100% performance. Compelling research demonstrates that a shorter workweek can boost productivity, enhance wellbeing, strengthen employee engagement, and benefit the environment. It marks a cultural shift, placing greater emphasis on outcomes over hours worked. Early indicators suggest the pilot is performing well, with a reduction in sickness absence and no adverse impact on customer service. We remain focused on continuous improvement, with the Board receiving regular KPI updates to monitor ongoing organisational performance.

Another significant shift in how we work is the launch of our new digital roadmap. Over the next three years, we'll replace legacy systems with more advanced technologies designed to deliver greater efficiency, better value for money, and enhanced wellbeing. Embracing a more agile and dynamic approach will empower colleagues to concentrate on value-added services, while providing faster, more accessible information to support timely and informed decision-making.

We want to extend our heartfelt thanks to our colleagues, customers and partners for their support and commitment throughout the year. Your contributions continue to shape our success and inspire our future.

Together, we aim to help build safe and strong communities, where everyone has a place they are proud to call home.

Our Corporate Strategy 2023-2028

We launched our 5-year plan in 2023 following conversations and feedback from our customers, colleagues, members and stakeholders which helped inform our plans for the next five years.

The 2023-2028 strategy renews our commitment to provide a quality home and a safe place to live. We truly believe everyone should have a place they are proud to call home.

We are now in the second year of delivering this strategy, and a clear focus on the following strategic priorities is reflected in all areas of our work.

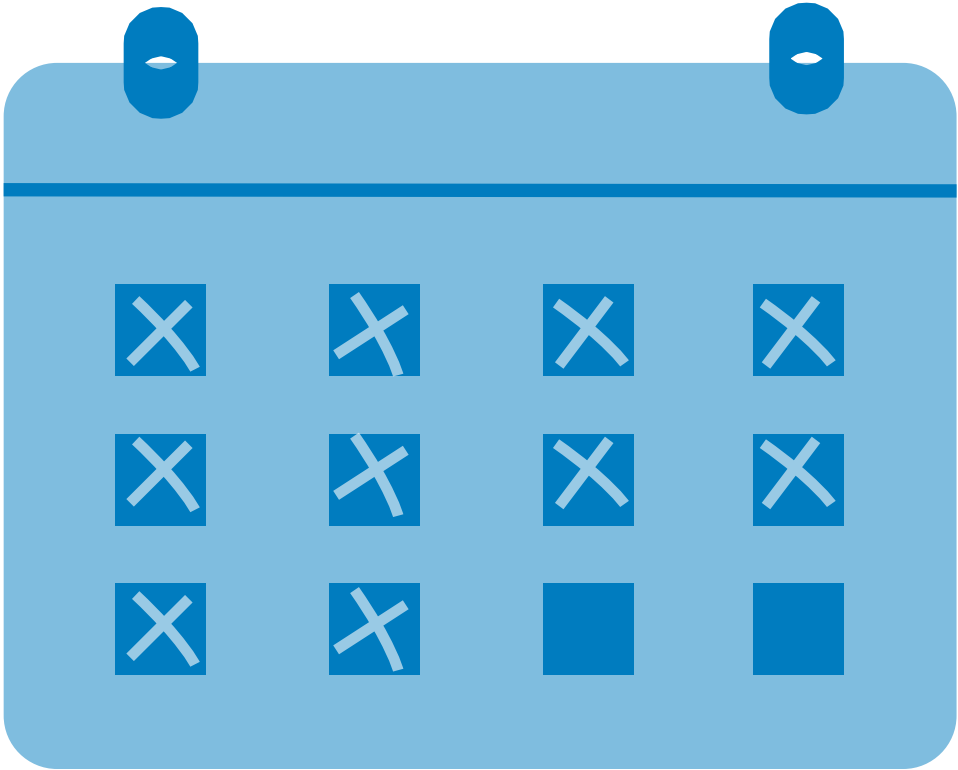
- Great Customer Service
- Provide High Quality Homes
- Build New Homes
- Partnerships and Communities
- Value for Money

You can find out more about our Corporate Strategy on our website:

[Bron Afon Corporate Strategy](#)



“Everyone should
have a place
they are proud
to call home”





02 Social

Great Customer Service

We are committed to Environmental, Social, and Governance (ESG) principles, as a smarter way of measuring our impact on society, the environment and our business responsibilities.

Delivering excellent customer services is one of our key priorities. We exist to provide quality homes and services to support people to live well in their communities.

Our Priority:

Building trust and improving satisfaction with our customers is so important to us. We've been growing our 'Your Voice' platform, where customers are invited to get involved with shaping our services and sharing feedback.

Our customers were involved with a wide range of subjects, including how they want us to communicate with them on the phone, service charges, damp and mould, value for money, setting annual rents, annual self-evaluation reports, customer portal and their say on the communities they live in. We meet many of our customers face to face as part of our community walkabouts and enjoyed speaking with customers at coffee mornings, community hubs, Torfaen Pride and at dedicated focus groups.

Customer Voice

"The service was excellent, from the lady who I spoke to on the phone to Gareth fixing the boiler."

- 404 Customers registered on our Your Voice platform
- 16 Consultations where customers shared their views with us during 2023/24
- 4.6/5 Satisfaction rating from customers interacting with our frontline services



Provide High Quality Homes

Our Priority:

In the last year we delivered 40 new homes in Torfaen, comprising 19 new build properties and 21 buybacks.

Glanwern House comprises ten new homes which are a mix of one-bedroom flats, two-bedroom houses and a three-bedroom house. They are all energy efficient and built to EPC A, featuring non-fossil fuel infra-red panels and an air source hot water system.

Glanwern House resident

**“I can’t even describe how happy I am.
I have amazing neighbours, it feels safe
and the children have a lovely garden
to play in.”**

The scheme received support from Welsh Government via Social Housing (SHG) and Optimised retrofit Programme (ORP) along with an interest free loan from Innovative Housing Programme (IHP). It is the first intergenerational scheme created by Bron Afon.

Osbourne Road comprises 9 new affordable homes, seven one-bedroom apartments and two two-bedroom flats.



Cllr David Daniels, Torfaen Council's Executive
Member for Adult Services & Housing

“Developments like this provide much-needed affordable options for local residents. I’m pleased to see the energy efficiency of the new builds, ensuring that they are not just affordable for people to rent, but also will be more affordable to run.”

Communities and Partnerships

Our Priority:

One of our key priorities is to work with organisations to create opportunities that will benefit our communities in the long term. This is why we jumped at the chance to work with Torfaen Adult Community Learning to introduce weekly Digital Drop-In Sessions for some of our more digitally isolated residents. The sessions helped people navigate Bron Afon's online platforms effectively and developed their confidence in accessing services digitally.

These customers are now more confident in raising their issues/repairs online, enjoyed the opportunity to share their experiences and to meet Bron Afon team members in person.

All attendees signed up to our Your Voice platform, shared their views and now feel confident to engage in the future. One customer enjoyed his experience so much he enrolled on another digital course run by Torfaen Adult Community Learning.



**“Easy to report on the app,
easy to rearrange the initial
appointment over the phone,
repair completed on time,
engineer very friendly and
completed work quickly.”**

Customer Voice



Strong Partnerships lead to better outcomes

We understand that to achieve our vision of “everyone should have a place to call home” we need to build strong relationships with organisations who can help our communities and our business to flourish. We are proud to work closely with a large range of partners across Torfaen to support people and help them take opportunities to improve their lives.

We are proud of the support we give to our customers, especially as they continue to face financial challenges with increased cost of food, fuel, and energy bills.

The cost-of-living crisis continues to impact our customers. Support with money and finances remains the lead priority need for our customers and we have seen a slight increase in this from 58% to 61% since last year. Our teams work together and in partnerships with agencies including, Citizens Advice, Torfaen Council, Dŵr Cymru, Shelter Cymru, Christians Against Poverty and Gwent Drug and Alcohol Services.

£289,141.93

Income generation for customers through charity funds, and Discretionary Assistance Fund, (DAF) helping customers maximise their benefits for the next 12 months with savings of over £100,000.

£17,179

Helping customers access Discretionary Housing Payments, backdated Housing benefits and Universal Credit and charity funds.

76

Applications to fuel bank and fuel fund supporting customers access £4,022.00 in utility support.

53

Customers in rent arrears supported to reduce their rent arrears to the value of £21,932.12.

10,000

Phone calls and visits to discuss rent and offer advice or support.

210

Referrals to food bank, supporting 303 customers to access essential food items (214 adults & 89 children).

10

Customers helped to access specialist support for substance misuse.

328

ASB (Anti-Social Behaviour) cases resolved. Many in partnership with Gwent Police, Environmental Health and safeguarding teams.



Customer Voice

“When I met Dan I was in an abusive relationship, over £20,000 debt, really struggling to make ends meet, struggling to cope with mental health. Magically, he fixed it all and I’m so appreciative of every bit of support he has given us. I really cannot praise him enough. It’s sad to come to the point that he will no longer be a part of our lives after supporting us for three years, but he has helped me build so many foundations I’m a totally different person living a totally different life.”

Everyone should have a place they are proud to call home

Poor home conditions can lead to many issues for our customers. This includes wellbeing, physical and mental health concerns, social isolation, disengagement and family breakdown. Our Homes Engagement team has seen the total number of referrals for support increase by 69% in the last year.

Often there are things going on beneath the surface that can make dealing with home conditions a big challenge for a customer and it's important that we do not make assumptions or judge people as this can have a negative impact. We let our values guide us, listening to customers with compassion and treating their situation respectfully so we can really understand how best to work with them.



"We're getting there slowly" - a home conditions story"



03 Environment

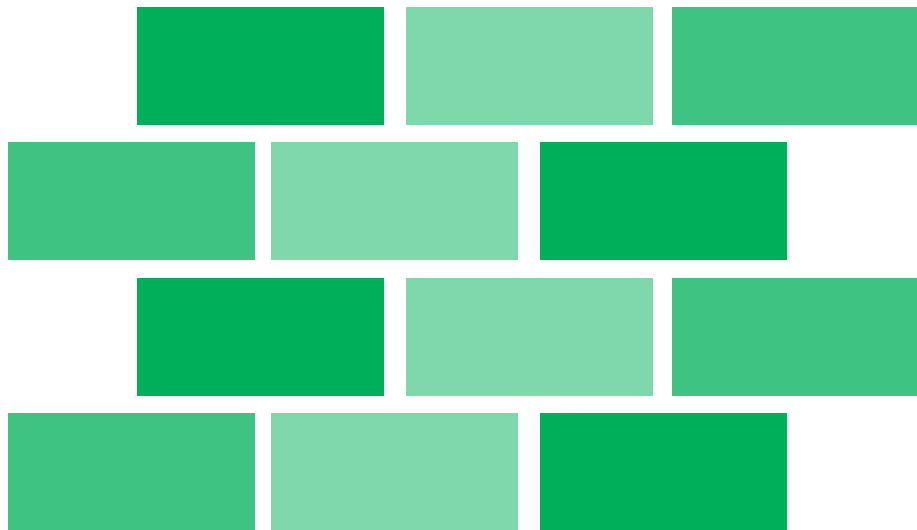


Build new homes

Bron Afon manages more than 8,000 homes in Torfaen, southeast Wales, which has a population of around 92,500. Good quality homes are essential to a decent life, better physical, mental health and wellbeing. We want to provide good quality homes our current and future customers can feel proud to live in.

Our Priority:

During 2024-25 the Board took the strategic decision to increase investment in the delivery of new homes in Torfaen and surrounding areas, to ensure that Bron Afon plays its part in supporting the solution to the housing crisis. We have invested in our development team including creating a new Executive Director for Development and Regeneration role. Our ambition is to deliver 190 new homes a year within five years as well as working with the local authority in Torfaen on significant redevelopment of existing homes and community areas.



Energy efficient homes at Michael Way in Pontypool

We built nine new homes at Michael Way in Pontypool.

Local firm, WK Plasterers, were contracted by Bron Afon to build the seven one-bed and two two-bed flats, which took 17 months to complete. Funding of just over £1.35m for the project came via the Welsh Government’s Social Housing Grant.

We installed infra-red electric panels for heating and air source hot water cylinders in every flat, with PV panels on the roof.

These energy-efficient features go some way towards meeting our decarbonisation targets by helping to reduce carbon usage and impact on the environment. It may also mean that our customers experience lower energy bills.



Provide Quality Homes

Our Priority:

An important element of our sustainability commitment is ensuring our homes continue to be safe, affordable and energy efficient now and in the future. In 2024-25, our skilled operations teams completed 33,864 repairs in our homes.

“Everything was perfect, from the property to the signing of the property. The property itself has been painted and carpeted to a very high standard.”

As a registered social landlord in Wales, we face a tough national target set by the Welsh Government of achieving net zero carbon dioxide emissions by 2050.

We’re aiming for a sustained reduction in greenhouse gas emissions from our homes and communities, where our customers have the right support and tools to live their lives outside of fuel poverty.

To learn how we can achieve this outcome while meeting Welsh Housing Quality Standards 2023 (WHQS23), we have a focused programme on 68 void properties. The project has helped us understand the implications on the delivery and cost.

Read our WHQS23 Compliance policy in full here

Our longer-term vision is to build decarbonisation and other WHQS23 requirements into our business-as-usual processes when our properties are at ‘void’ stage.

In these properties, we have introduced infrared heating system, solar PV and battery storage to remove the reliance on fossil fuel for our future customers. The pilot is due to complete in the next financial year (2025/6).

Our key focus for WHQS23 is:

- Work with our customers so they understand what WHQS23 means for them and can get involved if they want to.
- Respond to the global climate emergency and take the right action for our homes and communities.
- Being open about the actions we take and what we can and cannot do. Regular reviews so we can continue to improve.
- How the Standard connects with other laws like the Housing Health and Safety Rating System, the Renting Homes (Wales) Act 2016, and building and fire safety rules.
- This guides how we are preparing our business and our workforce to put our plans in place for the delivery of WHQS23.

Ready for the Welsh Housing Quality Standards 2023

WHQS sets the standards for housing quality across Wales. This tells landlords how to make sure homes are safe and in good condition. It was updated in 2023 to help make homes energy efficient, so they do not cost too much to heat and are not bad for the environment.

We have worked closely with Welsh Government and our partners in the housing sectors in Wales to help prepare for the changes.

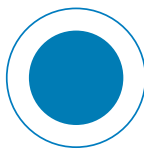
We have written a policy which sets out how we will fully comply with the standard.

“Our customer’s voice: We are really grateful to one of our customer’s Jess, for making this short video to show us what having a carpeted home means to her and her family. It’s surely made such a difference to me! – Bron Afon”

Good quality, safe and secure homes

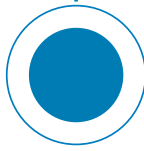
A safe and secure home is fundamental to living a good life. We believe that everybody has the right to live in quality homes in safe communities.

We want to make sure we fulfil our regulatory and landlord compliance responsibilities and manage all associated risks. We make sure our homes are safe by assessing their compliance against the 'Big 6' health and safety areas: gas safety, electrical safety, lift safety, legionella, asbestos and fire safety.



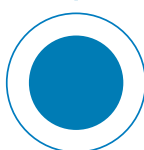
100%

of asbestos safety reinspection's in communal spaces



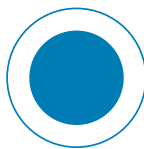
100%

Legionella cyclical testing programme completed



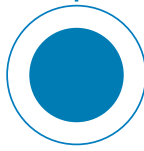
100%

Fire risk assessments and fire safety inspection and testing completed within timescales



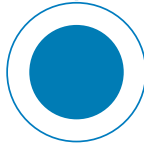
100%

Lifts met the required safety standards



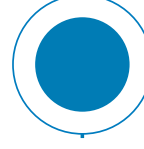
99.98%

Domestic gas services completed (Landlord Gas Safety Record)



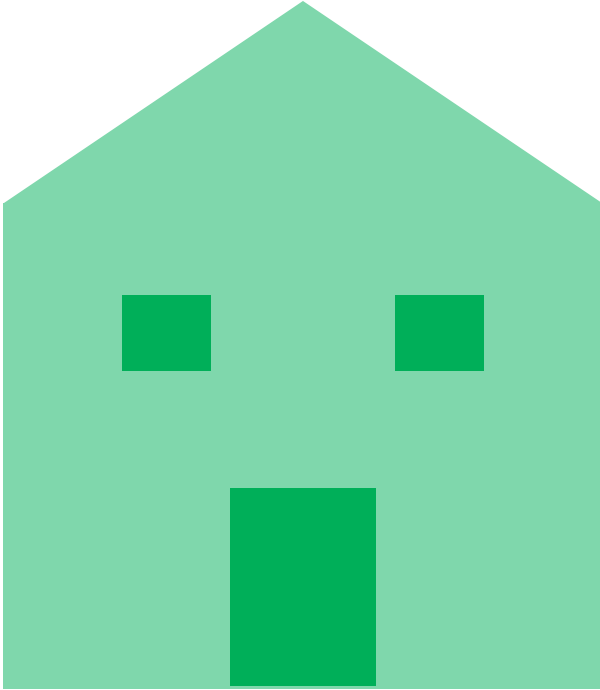
98.54%

Electrical installation satisfactory certification (EICR)



100%

Electrical condition inspection report certification for communal spaces.



Build strong partnerships with organisations who can help our communities and business flourish

Our Priority:

Here's some great examples of how our community benefit scheme and working with partners has helped to improve the lives of people in one of our communities.

Hope GB Kitchen

Hope GB provides support, information and social opportunities for people affected by autism. When they moved into Thornhill Community Centre in Cwmbran, they asked for our help with improving the kitchen facilities. We used our Community Benefit Fund, where contractors working for us commit to complete an agreed project or agree to provide financial aid to a fund that will be used for local community projects and fitted a brand-new kitchen.

The work was carried out in record time ahead of Hope GB's opening event by Bron Afon colleague and contractors Torfaen Maintenance Services Ltd (TMS).

"When we visited with colleagues from Bron Afon, we were immediately aware how much of an integral part the charity plays in the community. It has been a great pleasure to hopefully have contributed in some small way to the fantastic work carried out by the staff at Hope GB."

Jason Reed, Contracts Manager, TMS



Canddo Project

The Canddo Project, is a community wellbeing group based in Panteg House in Griffithstown. They successfully bid for £1000 from our Pitch4Pounds scheme, to buy a range of tools for the group to use in their DIY and wood working sessions. We also arranged for Canddo to receive £300 worth of tools, which we purchased from Travis Perkins using our social value fund. The fund supports community projects, sustainability efforts and initiatives that improve well-being, which is everything Canddo is about.

“I like being outdoors and giving back to the community. Canddo has helped me improve my gardening skills, and it’s been great for my mental health.”

One participant shared

New lease of life for fishpond in Panteg

The Friends of Fishpond Park community group in Panteg have given a new lease of life to the fishpond with help from Bron Afon’s Pitch4Pounds scheme. The group, which looks after the pond as part of their responsibility for maintaining certain areas of the park, successfully bid for £1000 of funding.

Nature inspired community murals

We commissioned Newport-based mosaic and visual artist, Stephanie Roberts, to develop two community murals with some fantastic designs created by local residents and children at Our Lady of the Angels Roman Catholic School in Old Cwmbran. The murals can be found at Victoria Street and The Maltings. Funding for the mural project came from Bron Afon as part of planning requirements for our block of flats built in Victoria Street by local firm, WK Plasterers.

Both artworks feature aspects of the natural environment, including flowers, birds, bees and water representing Afon Llwyd. They are designed to reflect the importance of engaging with the green spaces of Cwmbran in active living or to nurture wellbeing.

Wendy Woods, secretary of Friends of Fishpond Park

“It was a lot of work over many months but all worth it for the end result. It’s all working really well and it’s lovely to see and feel the spray from the fountain. It looks amazing and the paint job finishes it all off nicely. “We are already getting lots of positive feedback from visitors to the park and also on our Facebook page.”



Our contribution to the National Forest for Wales Network

We were thrilled when Coleford Path in St Dials, Cwmbran and parts of Garw Wood in Croesyceiliog, Cwmbran, were accepted into The National Forest for Wales Network.

They are among the first 'connected woodland' applications, where multiple sites which are close together are rolled into one application. It came a year after the first of our two woodland sites at Llanyravon and Greenmeadow were approved.

This means we have added 2.38 hectares to the existing 1.10 hectares of woodland which met the standards of management and commitment required. Thanks to the expert management of these sites by our internal tree team, who work hard to maintain them protecting biodiversity and wildlife and for the benefit of our communities.





04

Governance

Governance

We aim to be an active partner in communities where everyone has a place they are proud to call home. To achieve this, we need drive, determination, and robust governance, systems and procedures to ensure that we can deliver and maintain homes and communities now and in the future.

Our latest regulatory judgement

All registered social landlords in Wales, receive a Regulatory Judgement from Welsh Government following continuous assessment through a co-regulatory relationship with the regulator.

This provides Bron Afon, our customers, and other partners an overview of our performance in terms of Governance & Tenant Services, and Financial Management. Our most recent Regulatory Judgement was in February 2025. Bron Afon received the highest rating of 'Compliant – Green' for Governance and Tenant Services, and Financial Viability.

Our Board

Members of our Board are all non-executive directors of Bron Afon. Drawn from a variety of backgrounds, they bring a broad range of experience and skills to their roles. The Board sets our priorities and strategic direction so that we remain financially sound, well-run, and deliver on our objectives.

We believe our people are our best asset and the key to our success. Our People Promise, which is an integral part of our corporate strategy, reinforces our commitment to provide a great place to work that attracts and retains talent. Embedding equality, diversity and inclusion into every aspect of our business is part of our promise and is one of the reasons we joined the Pathway to Board programme.

Pathway To Board is specifically aimed at Black, Asian and minority ethnic people and supports them to build on their knowledge and skills to be Board ready.

Nayur

"I enjoyed the seminars given by people from professions such as employment and law, and it was good to learn at first hand from experienced Board members. Everyone was very helpful and supportive."

"While shadowing colleagues from various teams, I learned you have to listen, observe and understand. Pathway To Board gave me the opportunity to do this at Bron Afon."



Governance

The Board is committed to maintaining high standards of corporate governance. An overview of Board members' appointments and resignations is available on pages 38 to 39 of this report.

Our Chair, Craig Nowell

“Equality, diversity and inclusion is so important to organisational success and Nayur’s contribution, professional skills and enthusiasm is already making a positive difference. My thanks to Nayur and also to Alan for his leadership on EDI. I encourage all Welsh Housing Associations to be involved in Pathway to Board.”



Investing in our people

We believe our people are our best asset and the key to our success. Our People Promise commits to four areas of focus so we can meet our promise to invest in a strong, agile workforce where colleagues feel connected and are supported to be their best.



Belonging

An inclusive and supportive workplace, where everyone can be themselves, perform at their best and feel valued.



Learning

A learning culture that makes the most of our colleagues' talent and potential to maximise job satisfaction and organisational effectiveness now and in the future.



Wellbeing

Having a safe and healthy work environment that promotes a culture of wellbeing and encourages a balanced lifestyle



Achieving

Becoming a high performing workplace where engaged colleagues are empowered to achieve our corporate priorities.

Here's some examples of how we're meeting our promise.

Our 4-day week Pilot

Bron Afon began a 4-day week pilot for 6 months in October 2024. The 4DW is based on a principle of 100 – 80 – 100: delivering 100% of the work, in 80% of the time, for 100% of salary. The health and safety of our customers and colleagues is our absolute priority.

During the pilot we promised customers would not see any changes in the services we deliver. We will not compromise our customer services or our high health and safety standards and have not reduced the days or hours our services are available each week.

We have a monitoring framework in place to check our performance during the 4-day week pilot, so we can pick up on any potential issues early and manage them straight away. One of our ambitions with this pilot is to unleash innovation, improve productivity and improve wellbeing. Here's what some of our colleagues have told us about their experience so far.

"It's great that Bron Afon is one of the businesses leading the way to support their staff wellbeing."

Our customers Voice

"The 4-day week pilot has been a positive change for me. I have more time with my family, and I get moments to simply curl up with a good book. I like to spend my non-working day pottering in the garden, catching up on housework or shopping, but mostly I make sure to keep this day just for me. After years of juggling, I feel I've truly earned that balance."

Colleague Testimonials - Kelly



Valuing Diversity

Proud to be part of Torfaen's first ever Pride

Torfaen held its first ever Pride event on 1 June 2024 in Pontypool Park. Bron Afon was one of six partners providing sponsorship and support to the organisers Club F.O.D, a LGBTQ+ charity. Pride is a reason to come together in solidarity and celebrate diversity, identity, and inclusion. As a housing provider we are here for everyone who needs us.

It's never been more important to us that our customers and colleagues feel included and able to have a voice. Our team of colleagues from across the business welcomed many visitors to our stand, we shared information on our services and support, we recruited new members to our Your Voice group, decorated flags and welcomed messages for our inclusion tree, where we invited people to tell us what inclusion means to them.

A colleague who took part in Pride told us

"I'm proud to work for an organisation that values equality, diversity and inclusion. That cares about and spreads support and positivity for our LGBTQ+ community."



In March 2025 Jane Pound was appointed our first senior independent director to the Board.

This is a new role for Bron Afon and recognises the value of having an independent voice to champion and promote effective relationships and open and constructive communications between Board colleagues, the Executive and with external stakeholders.

Jane Pound joined Bron Afon's Board in 2021 and continues to Chair the People and Governance Committee. She has extensive experience in the public sector, specialising in HR Risk and Governance.

Jane said "I am proud to be part of Bron Afon and deeply committed to our mission of providing quality social housing to Torfaen communities. My background in HR, Audit, Risk, and Governance, along with my current role at a humanitarian charity, and my passion for promoting inclusion in vulnerable communities, align strongly with Bron Afon's values and goals.



Bron Ambition

We won Chartered Institute of Housing Cymru (CIH) Award for Excellence in Professionalism, Learning and Development for our Aspiring Managers Programme.

Reflecting our 'Ambition' value, we create opportunities for personal growth and developing strong workforce succession plans, with a commitment to 'growing our own' talent. The Bron Ambition programme was designed for colleagues who aspire to progress in their career and to take their first steps into management, or for new managers to continue to develop in their roles and gain a qualification.

The model reflects leadership and industry best practice alongside creating space for innovation, creativity, authenticity and individuality to achieve outcomes, improvements and build teams that are engaged, motivated and well.

Learners told us

"I'm trying to create a team where we are successful, where we celebrate success and show each other support."

"The programme has been great; it's been a great learning curve. I think the leadership skills and the culture session we had was something I want to try and bring more into my team."

We are a **Visibly Better Employer** for people with sight loss having achieved RNIB's quality standard. The standard has helped us to identify improvements to our recruitment and retention practices to become an inclusive employer for blind and partially sighted people. This helps us to build on our ambition, set out in our People Promise, to create an inclusive and supportive workplace where everyone can be themselves, perform at their best and know that their contributions are welcomed and valued.

We became a **Disability Confident Employer** (Level 2) this year. Disability Confident is a government scheme designed to encourage employers to think differently about disability and take action to improve how they recruit, retain and develop disabled people. In continuing our Disability Confident journey, we are ensuring that disabled people can fulfil their potential and realise their aspirations.

Customers with hearing and speech difficulties can now contact us over the phone using Relay UK, a national service provided by BT. Customers telephoning us are linked up with a Relay Assistant who will speak, or type what they are saying to one of our customer hub colleagues.



Raising Our Customers' Voice

Our Priority:

One of our REAL Bron Afon values is to listen. We listen to what our customers have to say. Their feedback and involvement help us make better strategic decisions and improve our services. For example, 140 customers helped us to rewrite our pet policy, and when customers told us they wanted us to change the way we supported them with rent arrears when they called us, we listened and made those changes.

We use a tool called Rant & Rave to hear from our customers after an interaction with our frontline teams. This helps us understand what's working well and where we can improve.

We learn from complaints, hold focus groups and have an active 'check and challenge' group to scrutinise policies and processes. Our Board uses this information to prioritise and influence decisions.

“Great help with my homelessness and after 8 months, we have our forever home.”



9,502

Customers shared their feedback with us on Rant & Rave



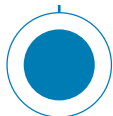
8,506 or 89.5%

Rated us 4 and 5 stars out of 5 on Rant & Rave



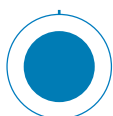
405

Customers registered on 'Your Voice' platform



16

Projects and consultations customer contributed to



24

Check & Challenge involvement activities

“I explained to Richard my son was autistic and sensitive to loud noises, so before he tested smoke alarms, he let my son know what he was going to do and the noise would be loud but wouldn't be for long. He was absolutely amazing and please give him my thanks for that.”

“Sandy was absolutely amazing with myself and my little family. She interacted with my daughter and always had five to play. She got us through a lot and without her help, we'd still be in the same old rut! An amazing woman and so very kind.”

“We finally have a house! A room each! And a great garden space for the doggos... Thank you so much for your support, advice and listening ear and putting up with me! It’s been a road! But a new chapter is here and I’m pretty sure it’s going to be one of the best! Thank you.”



Financial Review and Benchmarking

Bron Afon’s finance is categorised in two main areas

01) Operational

The day-to-day income and expenditure incurred while delivering our services to our customers

02) Investment in Homes

Managing debt and grant funding, capital expenditure building new homes and the long-term maintenance of existing homes.

The evolving geopolitical landscape continues to present financial challenges for not-for-profit organisations. Throughout 2024–25, we’ve faced sustained high borrowing costs, wage inflation pressures, limited resource availability, and ongoing above-inflation increases in maintenance and construction costs. As a socially focused organisation, we’ve worked hard to navigate these economic headwinds while staying true to our core commitments—supporting our colleagues, delivering high-quality affordable services, advancing our decarbonisation agenda, and investing in the long-term resilience of our homes and communities.

The financial statements for 2025 have been prepared under FRS102 accounting requirements and the 2018 Housing SORP (“Statement of Recommended Practice”).

As outlined in the table below, the Bron Afon Group reported total comprehensive loss of £3.4 million for 2025, compared to £8.9 million income in 2024. The year saw an operating deficit of £2.2 million (2024: operating surplus of £8.6 million), and an overall net deficit of £4.2 million for 2025 (2024: net surplus of £6.9 million). The substantial change in financial performance over the last two years is attributable to the adjustments totalling £9.8m that resulted from the closure of the Local Government Pension Scheme in July 2024.

Summary Annual Financial Results		
Statement of Comprehensive Income	2025 Group £'000	2024 Group £'000
Turnover	£56,019	£53,927
Operating surplus/(deficit)	(£2,193)	£8,567
Net Interest Payable	(£1,976)	(£2,252)
Pension Scheme Net Interest Adjustment	-	£600
Surplus (Deficit) for the year before tax	(£4,169)	£6,915
Actuarial gain/(loss) on Pension Scheme	-	£1,992
Net Credit from Local Government pension scheme exit	£792	-

Bron Afon Pension Schemes

During 2024-25 we operated two pension schemes, the Local Government Pension Scheme (LGPS), a defined benefit scheme adopted at transfer and a defined contribution social housing pension scheme (SHPS DC) administered through The Pensions Trust (TPT). The LGPS was closed to new entrants in 2016 having been replaced by SHPS DC to all new staff and became our default scheme for auto enrolment.

In July 2024 the LGPS was closed and all members were transferred to the SHPS DC scheme as defined contribution members. The exit was completed in December 2024, with surplus funds returned to Bron Afon. Transition payments for staff affected by the transfer were completed during the same period.

The previous contribution rates were 19% for LGPS plus a £460,000 contribution to the deficit as calculated in the 2022 Triennial Valuation compared to 7% to 10% depending on employee contributions within the defined contribution scheme. The objective of the changes that were made to staff pension arrangements were to ensure future financial sustainability for the organisation and to provide equity amongst all Bron Afon staff.

As part of the transfer, employer contributions for SHPS DC members were uplifted to 12%, thereby achieving an equitable pension arrangement for all staff within Bron Afon.

The impact of this change has resulted in the write off of the pension deficit from the organisation’s balance sheet totalling £15,638k against the exit credit received of £16,430k. Transition payments totalling £9m were made to colleagues exiting the scheme. A full valuation calculation was undertaken at the time of the exit to establish scheme value and level of refund to be made.

Bron Afon were assisted by independent pension advisors, tax advisors along with solicitors complete the complex process.

A summary of the adjustments relating to the LGPS exit is shown in the table below.

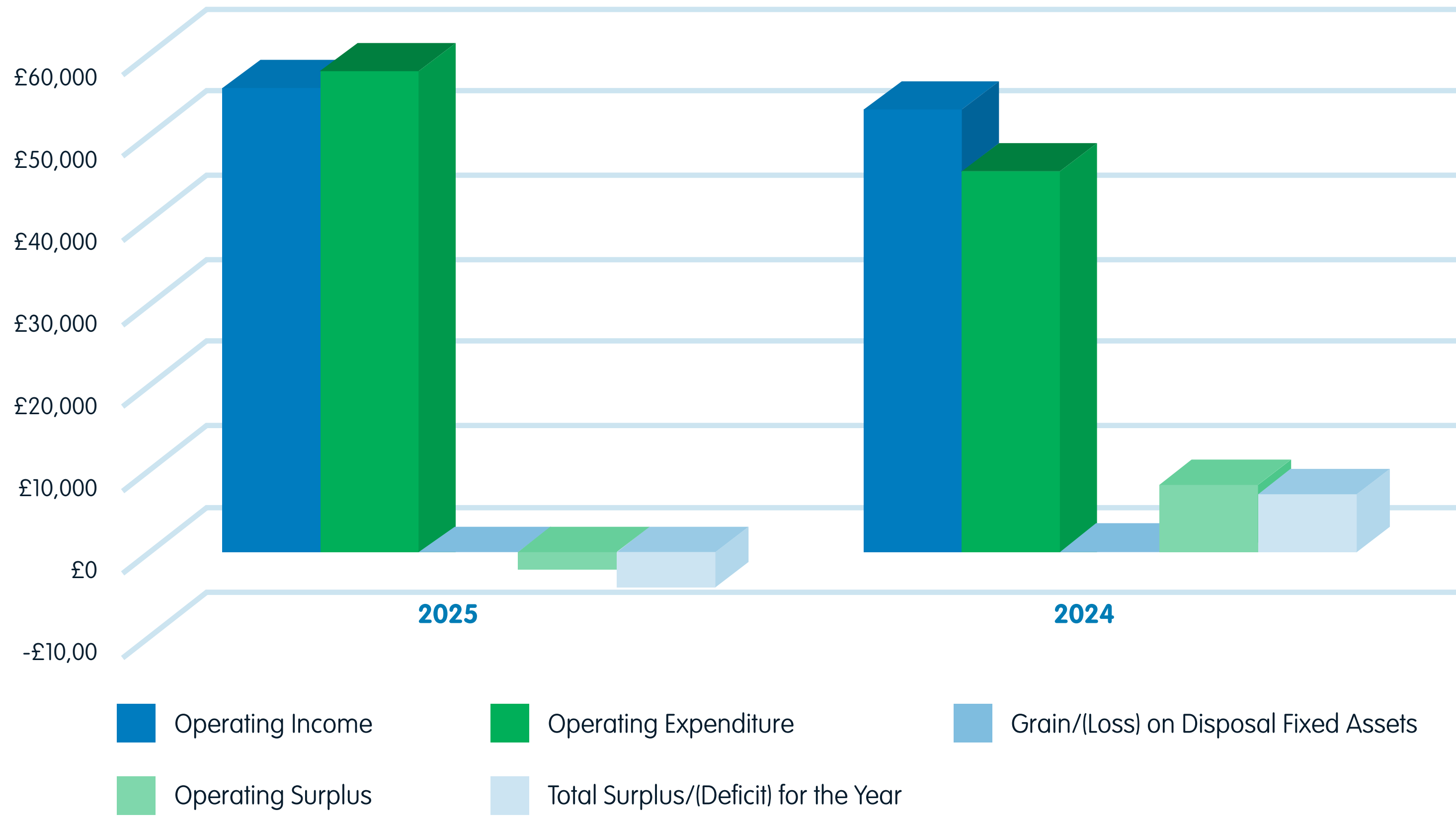
Explanation of adjustment resulting from closure of LGPS	Value of income/ (Expense) £'000	Recognition
Removal of balance sheet pension asset	(15,638)	Netted against exit credit and recognised in other comprehensive income
Exit credit received from the pension fund due to surplus position upon exit	16,430	Netted against removal of the balance sheet asset and recognised in other comprehensive income
Transition payments made to staff exiting the LGPS	(9,030)	Recognised within operating expenditure
	(9,822)	

Bron Afon Operational Overview

Bron Afon’s turnover continued to perform strongly in 2025, with annual income of £56m a 3.87% increase compared to 2024. This growth was driven by the annual rent increase and a rise in the number of homes in management.

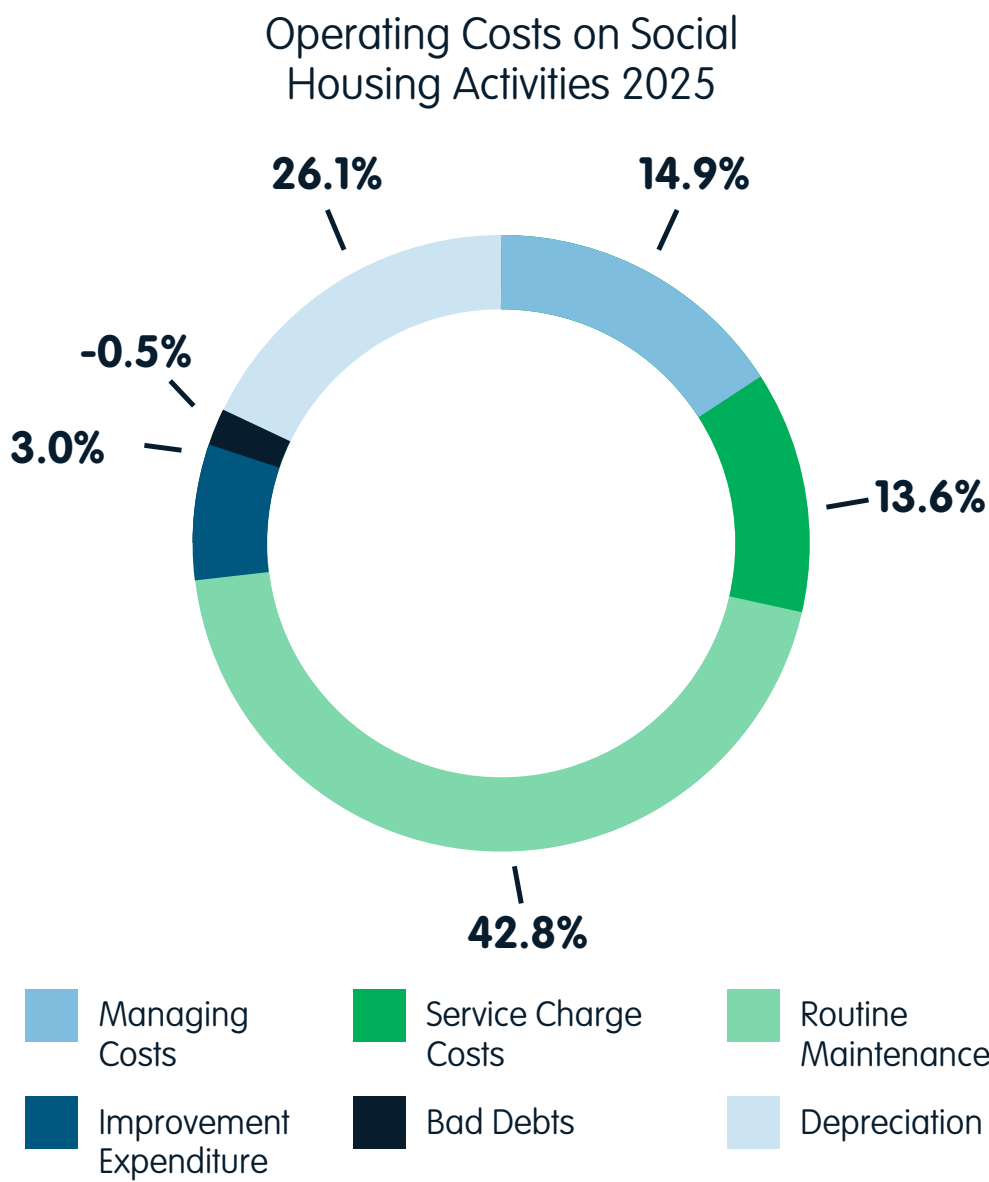
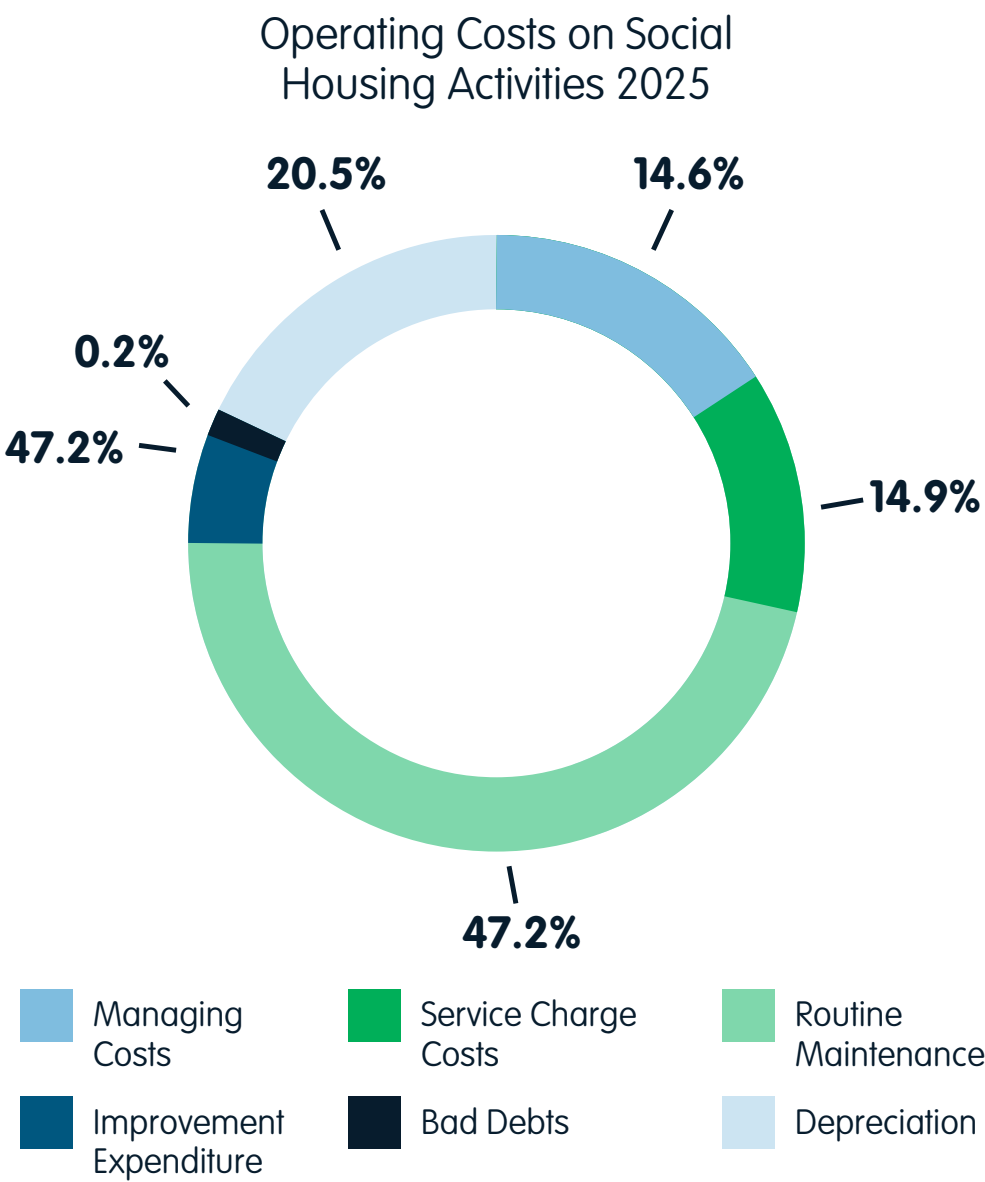
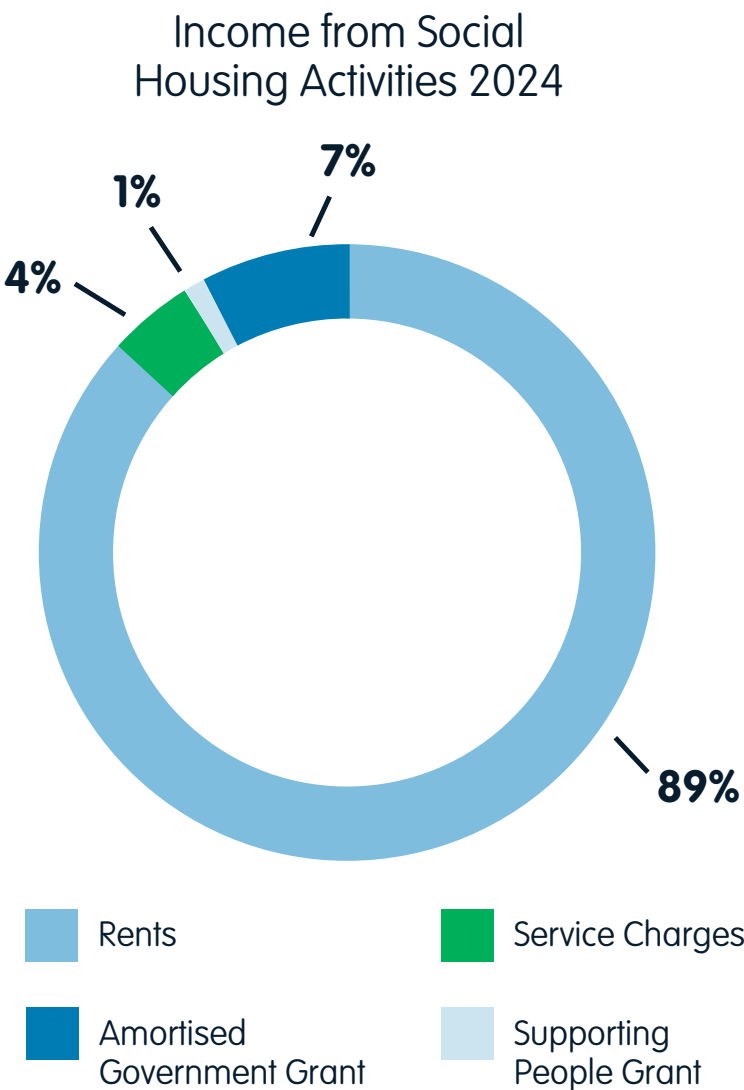
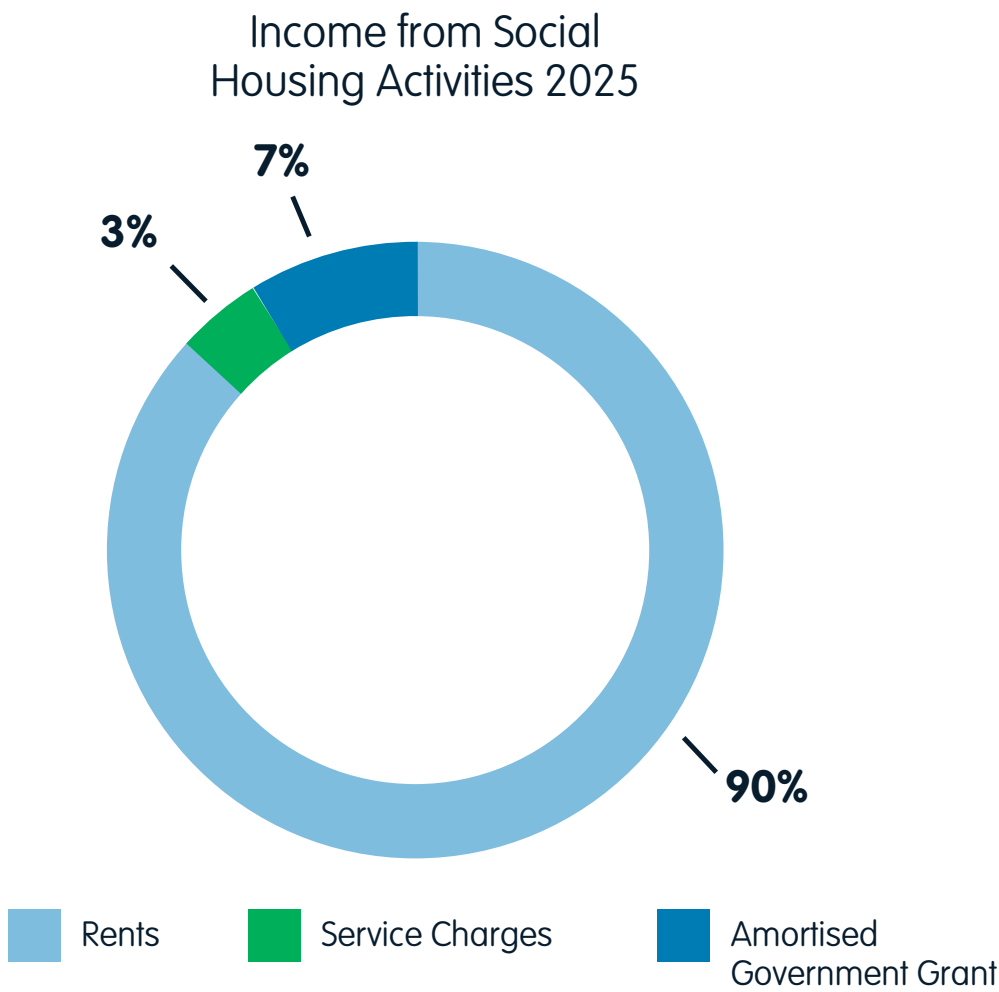
Operating expenditure for 2025 totalled £58 million, marking an increase of £12.9 million (28.31%) compared to 2024. The rise is mainly driven by £9m transition payments to colleagues leaving the Local Government Pension Scheme (LGPS), with the remaining £3.9 million attributed to inflationary pressures and enhanced investment in routine maintenance. This uplift in operating costs contributed to an operating deficit of £2.2 million at year-end.

Bron Afon Operational Review £'000



Social Housing Activities

Income from social housing activities in 2025 was primarily derived from rents totalling £48 million, an increase from £45 million in 2024. Operating expenditure on social housing activity rose to £56.6 million in 2025, compared to £44 million the previous year, mainly due to the transition payments and higher maintenance costs noted above. Bron Afon remains committed to managing costs effectively to ensure the delivery of Value for Money.



Our Properties

There has been an increase in the net value of housing properties within the Statement of Financial Position from £193m in 2024 to £203m in 2025 (Note 14). This increase is primarily due to capitalised work on existing properties (£16.5m), new development schemes (£5.3m), less depreciation and disposals (£14m). Capital work on existing properties has been funded through internal resources supplemented by grant where available.

We continually invest in our housing stock, ensuring that they are maintained at a high quality. As part of our asset management strategy, we undertake a rolling programme of stock condition surveys which are used to develop our investment and capital strategy.

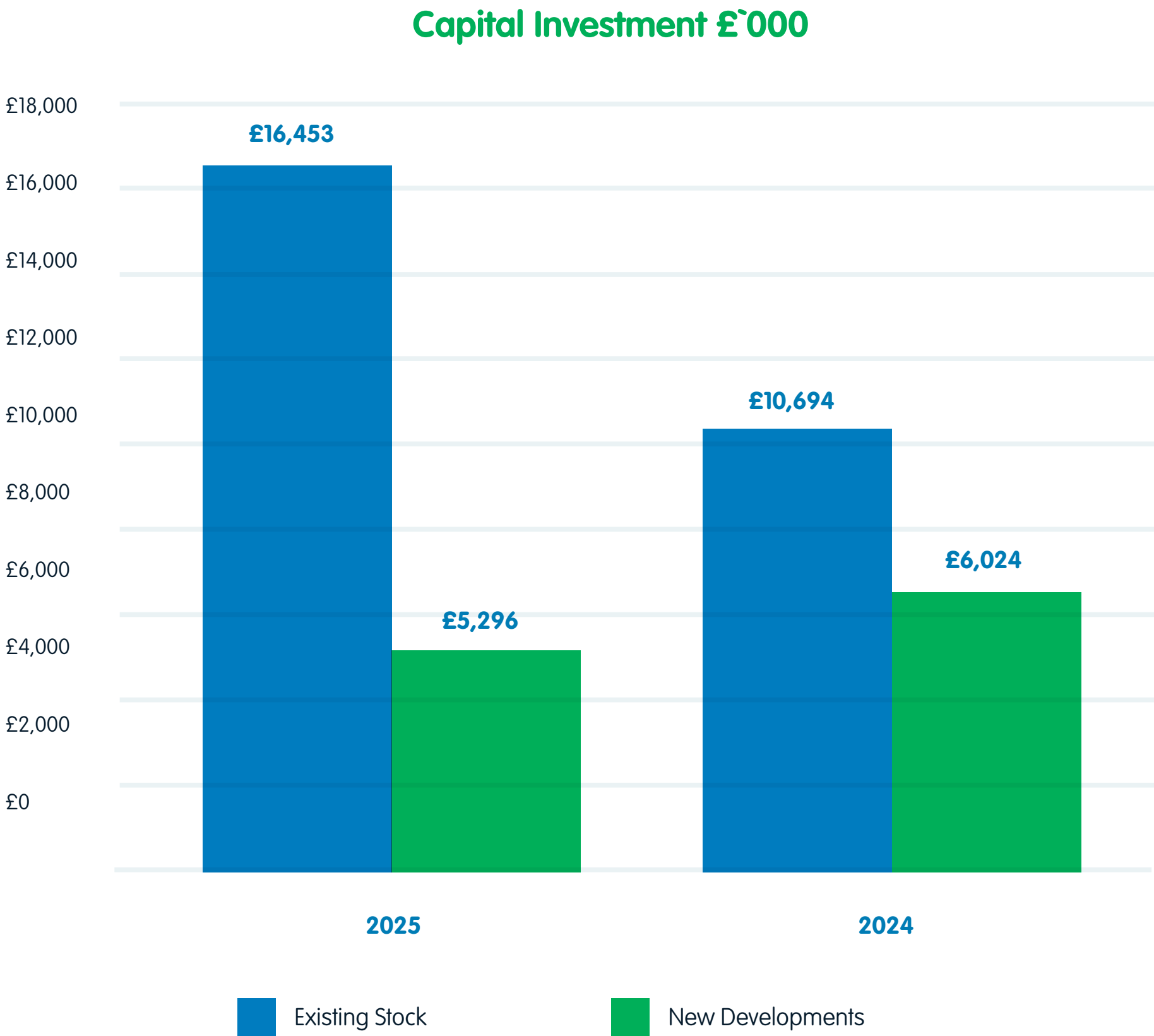
Building new homes remains a key strategic objective. During the year we have focused on growing our development pipeline for the next few years and this will enable our delivery of new homes to increase from current levels. During 2024/2025 new development properties at Glanwern House (19 homes) and Osbourne Road (9 homes) were completed. In addition, we continued to identify opportunities to purchase properties previously sold through Right to Buy Scheme resulting in an additional 21 properties being purchased.

At the 31st March 2025 development schemes under construction included Hafren Road Cwmbran (5 homes) which is due for completion in the year and Manor Way Abersychan (10 homes) which is due for completion in 2026/27. Since the end of the financial year construction of Ty Gwyn Cwmbran (15 homes) has commenced and works are due to commence at Traston Newport

(26 homes), Llanyrafon Cwmbran (29 homes) and Oakdale Cwmbran (21 homes).

As part of our garage strategy, we dispose of uneconomic or hard to manage garages, reinvesting the sales profits in the remaining stock. In 2024-25, income from the sale of 10 garages amounted to net income of £54k. However void loss increased to £511k against a rental income of £1,071k (47.7%). There is an increased strategic focus on maximising the returns from our empty garages through rentals, sales or development going forward.

Finally, the organisation continues to develop its “Place-Making” strategy which is critical to not only to the design of the homes and schemes we build but also to ensure the local communities we create meet the varying needs of the people living in and around those areas. As part of this we are exploring potential larger developments where we can take a lead developer role and achieve our “Place-Making” principles



Our Strategic Management Team

Bron Afon’s Chief Executive leads the Strategic Management Team (SMT) which is responsible for leading the development and delivery of Bron Afon’s corporate strategy and strategic direction for operations.

We want to be recognised for our values and ambition. We work collectively to achieve our vision where “we are trusted to help build safe and strong communities, and where everyone has a place they are proud to call home.”

Executive Directors	Role
Alan Brunt	Chief Executive
Catherine Love	Executive Director of Operations and Deputy Chief Executive
Unji Mathur	Executive Director of People, Change and Technology
Lynsey Harris	Executive Director of Finance and Procurement
Steve Blake	Executive Director of Development and Regeneration
Kathryn Innes	Interim Executive Director of Finance and Procurement (maternity cover) Appointed 27/09/2024



Governance and Risk

Risk Management

Principal Risks & Uncertainties

Bron Afon's risk management framework is essential for guiding how the organisation navigates and manages risks and uncertainties. It supports our corporate strategy to deliver great Customer Service, build new homes, invest in our existing properties and collaborate with partners and communities, whilst also supporting the safety and needs of our customers.

Our approach to risk ensures that our risk register is grounded from an operational level upwards. The register is routinely reviewed by the senior leadership team and scrutinised at both Assurance Committee and Board. Substantial time and effort have been dedicated to progressing risk management as a key organisational objective. This includes comprehensive training for the entire Senior Leadership team and its inclusion as a key agenda item at the Board Away day.

Bron Afon's principal risks and uncertainties are as follows:

Affording WHQS23 requirements: The Board in Bron Afon has modelled financial costs, delivery and impact of the new WHQS23 regulatory requirements for our homes. During the year, our properties have been surveyed to establish a best estimate of costs. This has enabled long-term financial modelling, stress testing, and the reverse engineering of funding solutions. Bron Afon is advocating for wider understanding of the financial impact of the new regulations and the long-term funding strategies needed to ensure Housing Associations remain financial sustainability as these requirements take effect.

Landlord Compliance: The Board and Senior leadership team are committed to ensuring our homes are compliant and fit for human habitation. To achieve this, we have established a dedicated team within the organisation to take swift action when areas of concern are identified, with clear oversight by the leadership team and Board.

Landlord compliance is monitored daily and reported monthly, covering the 'Big 6' compliance risks and the 29 circumstances outlined in the Fitness for Human Habitation Regulations (Part 1). These reports are closely scrutinised by the Assurance Committee at every meeting.

We remain dedicated to securing adequate funding to support the long-term improvement programme while also providing clear and practical guidance to help customers manage the circumstances that may affect their living conditions.

Cyber Attack: Bron Afon acknowledges that cyber attacks pose a persistent and evolving risk to this and other organisations. Maintaining robust security protection is a top priority, alongside ensuring that both our internal team and specialist advisors stay up to date with the latest skills and protections. The Board receives regular reports on security testing and activity and ensure sufficient funding is available to safeguard against these risks.

Geopolitical: Bron Afon has included this risk as an emerging risk for the organisation recognising the significant impact that geopolitical events have on the supply chains and financial stability of the organisation. Developing strategies to improve operating margins, strong network relationships and a diversity of suppliers continues to be a priority for Board and management.

Customer Service: Delivering high quality services to our customers and maintaining the quality of our customers' homes to enable people to live safely in their homes is a fundamental priority and therefore key risk for the organisation. The implementation of the Wales Homes Act 2022 is influenced by cost inflation, skills requirements, and system limitations. The impact of each of these factors is continuously monitored and, in some cases, addressed through change programmes aimed at strengthening Bron Afon's capacity to enhance customer service quality and expand customer engagement options.

Legacy ICT Systems: Bron Afon's core software systems, which manage key organisational processes, are aging and approaching end of life. In response to this risk Bron Afon commissioned a report and recommendations along with a Roadmap to update our systems for the future. A Change Board and a Programme Board have been established to deliver and scrutinise delivery of the Digital Strategy and Digital Roadmap. Board recognise that delivery of this key programme will bring enhanced efficiency, value for money and improved staff wellbeing.

Regulation

Bron Afon Housing Limited is registered in England & Wales and is authorised and regulated by the Financial Conduct Authority as a registered society under the Co-operative and Community Benefit Societies Act 2014, Registration number 30235R. It is also a Registered Social Landlord with the Welsh Government, Registration No L147.

It currently has 2,281 shareholders (members) (2,299: 2023-24) all of whom are required to be either residents of Torfaen or Board members.

Bron Afon is also registered as charitable status with the HMRC. This means the company is also governed by charity-specific legislation (primarily the Charities Act 2011) and can avail of a beneficial taxation regime. Organisations that are registered as charities with the HMRC must comply with specific requirements.

Bron Afon tenancies are governed by the Renting Homes Wales Act 2016. Bron Afon is a member of Community Housing Cymru. (CHC)

Group Structure

Bron Afon has two active subsidiaries, Afon Community Trust (ACT) and Ardal Homes Limited. ACT is a registered charity and aims to attract and direct charitable funding to support those in distress, support employment and contribute to the regeneration of communities. It spent £2,639 during the year (2024: £2,472). Ardal Homes Ltd is a commercial subsidiary set up to carry out work which does not directly meet our charitable objectives. It was not active during the year but incurred £3k (2024 - £2k) in fees and charges. We also have a third subsidiary, Afon Energy Limited, which is currently dormant.

Bron Afon’s Board of Directors

Bron Afon’s Board has ultimate responsibility for the control and management of the Society, and determines the vision, mission and values, and in directing policy and strategy. The Board’s role is to focus on strategic matters and governance oversight and to delegate to the Chief Executive Officer and executive management team the authority necessary for operational management of the Company.

In accordance with Bron Afon’s Constitution, the Board must consist of no more than 12 plus up to three co-optees. The Board members are drawn from the following groups:

- Up to two Customer Members.
- Up to two Council nominated members.
- Up to eight independent members.

There currently are 11 Board members with one independent member vacancy.

The Board has delegated some of their oversight to Committees, as follows:

1. **Assurance Committee:** gives the Board assurance on matters relating to finance, governance, risk management along with external and internal audits.
2. **Service & Performance Committee:** responsible for supporting Board by providing scrutiny all business activities and assurance on effectiveness.
3. **People & Governance Committee:** responsible for considering employment matters, organisational structure and governance matters.

Each committee has separate written Terms of Reference, which are reviewed regularly and approved by the Board. The Terms of Reference outline the functions of each committee and their remit, their membership, purpose, and limits of decision-making as well as method of reporting to the Board. The committees, their purpose and efficacy, are reviewed periodically. The minutes of all committee meetings are available to all Board members.

All Board meetings must have at least half of the members in attendance to conduct business and committee meetings need three members.

Governance and Risk

Appointments/Resignations to Bron Afon’s Board and Term of Office

Tenant and Independent Board members are appointed for a maximum initial term of three years. Members wishing to serve for a further three years must seek re-election and may serve a maximum of nine years.

The Board officers include the Chair of the Board and the Chairs of the three Board committees. The work of the Board is supported by a company secretary who, as a paid member of staff, does not vote at Board meetings.

Our Board members bring a broad range of professional, advocacy, and commercial experience and skills, at both national and international levels, to their deliberations. An overview of Board members’ appointments and resignations is available in note 33 to the financial statements.

New Board members receive a comprehensive induction, overseen by the chairperson and coordinated by the company secretary and executive team, as relevant. Topics covered include governance, and financial and operational information.

2024-25 Board and committee meeting attendance

Attendance at Meetings

Board Member	Board Meetings (6)	Assurance Meetings (5)	Service & Performance Meetings (5)	People & Governance Meetings (5)
Craig Nowell (Chair of Board)	6			
Peter Jackson	5	4	4	
Hilary Drinkwater	6		3	4
Amanda Owen	2		4	4
David Williams	3	2	5	
David Selway (Chair of SPC)	6	4	5	
Philippa Armstrong-Owen	6	3		4
Jane Pound (Chair of PGC)	5	3		4
Patrick Odling-Smee	6		5	
Jill Wadley	6	3	5	5
Marc Leppard	6	4		

Committee Co-optees

Co-optee	Assurance Meetings (5)	Service & Performance Meetings (5)	People & Governance Meetings (5)
Kathryn Price	3		
Nayur Zahoor			3

Statement of Internal Control

Introduction

In accordance with the terms of reference and best practice referred to in Welsh Government's Housing Association Circular RSL02/10 Internal Control Reporting, the Director of Governance presents an annual report on behalf of the Assurance Committee to the Board covering the period from the 1 April 2024 to 31 March 2025. The purpose of the report is to record an assessment of the adequacy and effectiveness of the Association's system of internal controls during this period.

Internal Control Framework

In accordance with the Welsh Government's Housing Association Circular RSL 02/10 Internal Controls and Reporting, Bron Afon's Board acknowledges its responsibilities for assessing the system on internal control and for reviewing its effectiveness. The Board also acknowledges its responsibility for the wider aspects of risk management.

The Association's systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss, regarding the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information and the management of risks, any of which could adversely affect the Association's ability to achieve its Business Plan objectives.

The following mechanisms constitute the key elements of the framework designed and implemented by management to provide effective internal control in key areas of the business.

Strategic Leadership & Governance

Bron Afon's Strategic vision and values are reviewed annually to inform the latest Corporate Plan and performance against that plan. The current approved plan is for the period of April 2023 to March 2028.

Ongoing review of new and upcoming legislation takes place to inform policies, processes and decision making.

Standing orders are reviewed periodically and financial regulations setting out clearly the system of delegation (SODA) are reviewed annually to consider changing business requirements.

There are clearly defined corporate and management responsibilities and reporting structures ensuring that experienced and suitably qualified staff take responsibility for important business decisions.

Bron Afon has a skills-based Board.

Board Risk Appetite is clearly communicated to the business. Bron Afon has set strategic KPI's which continue to be monitored on a regular basis by officers to provide assurance to members in relation to key risk areas both at committee and Board.

A minimum of one member of Bron Afon Board sits on the subsidiary Boards.



Internal & External Audit & Assurance

Internal services are provided to the organisation by Barcud Services, a specialist social housing internal audit provider; external audit services were tendered in 2023-24 and this is the second year of Bevan Buckland LLP auditing the organisation.

An established programme of internal audit activities exists which are derived from an assessment of the key business risks.

The Assurance Committee reviews and monitors reports from management, Internal Auditors and External Auditors to provide reasonable assurance that controls procedures are in place and are being followed.

Throughout 2024-25 a total of 51 recommendations have been raised by internal auditors across 22 audit reviews and have been accepted by Bron Afon. All Internal audit recommendations are reported to Assurance Committee and progress reports provided at each meeting.

A Health & Safety Framework is in place and Health & Safety performance is updated at each Assurance Committee meeting by the Head of Compliance.

There is ongoing compliance with data protection legislation which is also monitored by the Assurance Committee.

A comprehensive Compliance Monitoring Framework is in place which is regularly reviewed by Board and Committees to provide assurance and evidence of ongoing compliance with Welsh Government Regulatory Standards.

Business Continuity Plans are in place and have been tested with the support of external consultants. Senior and relevant staff have been trained in business continuity practices.

IT Disaster Recovery Plans are in place and are tested regularly.

A customer satisfaction survey was undertaken during the year.

A regulatory review was undertaken during the year which was published in February 2025 and confirmed a standard assessment for both governance & tenant services and financial viability.

Risk Management Policy & Framework

Bron Afon has a Risk Management policy in place which clearly outlines Bron Afon’s approach to risk management and defines roles and responsibilities throughout the organisation.

The Corporate Risk Register is regularly reviewed by senior leadership with reports presented at each Assurance committee and Board meetings. The report summaries the main risks and movement in trends is presented and discussed at every Assurance Committee. Assurance Committee regularly undertake “deep dives” into risks to take a more detailed review of risks where the risk profile may be changing or high.

During the year, the Corporate Risk Map was reviewed and updated as part of a process of ensuring the risks being managed and monitored are relevant to the organisation in an ever-changing environment. Training for all staff responsible for managing risks and controls in the organisation is in place.

The Association continues to maintain or put in place a number of procedures designed to mitigate the risks facing the Association. These include specific delegated authorities to managers and staff, insurances, performance management reporting, contract procurement processes, training and an annual self – certification of risk and how they are controlled by the Senior Management Team.

A Risk Appetite Statement is in place.

Financial Planning & Management including Value for Money

There is a defined business and strategic planning process in place including the preparation of annual budgets, 30-year financial forecasting model and the production and review of monthly management accounts.

A Medium-Term Resource Framework was developed in 2024-25 to provide a short to medium term understanding of financial and staffing resource pressures and to provide a clearer understanding of the medium-term financial impact of financial decisions. These are supported by specific operational monitoring of results against budgets along with quarterly review of outturn forecasts of financial performance.

Appraisal modelling of new development and existing asset investment is undertaken. All significant new initiatives, major commitments and investment projects are subject to formal authorisation through relevant committees and or the Board.

Assurance Committee approved the treasury policy, and an annual treasury strategy is in place, which is reported against to committee and Board at each meeting.

The business plan is stress and scenario tested on at least an annual basis with results and action plan reported to Board annually.

There is a VfM policy and strategy in place with outcomes reported annually through the annual report publication.

A Procurement policy and procedures are in place and the organisation use the services of an external company to support these activities.

Internal audit assessment of VfM controls is in place for each area of review.

An Assets and Liability Register is maintained.

Adequacy and Effectiveness of the Association’s Internal Control System.

The Director of Governance reviewed the adequacy and effectiveness of the Association’s internal control and risk management systems for the period 1 April 2024 to the date of the annual accounts for 2024-25 are approved and confirms they are operating effectively.

The Board Report, Statement of Board Members’ Responsibilities and Statement of internal Control were approved by the Board on the 25th July 2025 and signed on its behalf by:



Alan Brunt
Chief Executive



Mark Taylor
Director of Governance

Statement of Board Members' Responsibility

For the financial year ended
31 March 2025

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

The Board is required under the Co-operative and Community Benefit Societies Act 2014 to prepare financial statements for each financial year. Under those regulations the Board has elected to prepare the financial statements in accordance with generally accepted UK Accounting Practices including Financial Reporting Standard 102 The Financial Reporting Standard.

Under Housing Association legislation, the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Association, and of the surplus or deficit for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed and note the effect and the reason for any material departure from those standards in the financial statements; and
- Prepare the financial statements on a 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 that disclose with reasonable accuracy at any time the financial position of the RSL and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

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

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website.

Statement of relevant audit information

Each of the Board members at the date of approval of this report has confirmed that:

- As far as the Board Members are aware, there is no relevant audit information of which the Group's auditor is unaware; and
- The Board Members have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

External Auditors

A resolution to reappoint the External Auditor will be proposed at the Annual Members Meeting on 23rd August 2024.

Approved on behalf of the Board by:



Craig Nowell
Chair of the Board

Date: 25/07/2025



05 Financial



Financial Statements

Company Information

Bron Afon Community Housing Limited is an company registered with charitable rules under the Co-operative and Community Benefit Societies Act 2014 No.IP 30235R. Registered with the Welsh Government No. L147.

Directors

Craig Nowell	(Chair)
Jane Pound	(Chair of People & Governance and Snr Independent Board member)
Marc Leppard	(Chair of Assurance)
David Selway	(Chair of Services & Performance)
Patrick Odling-Smee	
David Williams	
Peter Jackson	
Hilary Drinkwater	
Jill Wadley	
Philippa Armstrong-Owen	
Amanda Owen	
Philippa Armstrong-Owen	
Amanda Owen	

Company Secretary	Mark Taylor
Registered Office	Ty Bron Afon, William Brown Close, Llantarnam Industrial Estate Cwmbran, Torfaen, NP44 3AB
Independent Auditor	Bevan Buckland LLP, Ground floor, Cardigan House, Castle Court, Swansea Enterprise Park, Swansea, SA7 9LA
Internal Auditors	Barcud Shared Services, 2 Alexandra Gate, Ffordd Pengam, Cardiff, CF24 2SA
Bankers	National Westminster Bank Plc, 250 Bishopsgate, London, England, EC2M 4AA
Funders	Principality Building Society, Principality House, The Frairy Cardiff, CF10 3FA NatWest Corporate Banking, 250 Bishopsgate, London, England, EC2M4AA

We have audited the financial statements of Bron Afon Community Housing Limited (Bron Afon) and its subsidiaries (the Group) for the year ended 31 March 2025 which comprise the Group and Bron Afon Statement of Comprehensive Income, Group and Bron Afon Statement of Financial Position, Group and Bron Afon Statement of Changes in Reserves, Group and Bron Afon Statement of Cash Flows and the notes to the financial statements. 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 Bron Afon’s affairs as at 31 March 2025 and of the Group’s income and expenditure and Bron Afon’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 Bron Afon in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the Strategic Report and Board Report, other than the financial statements and our auditor’s report thereon. The Board is responsible for the other information.

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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:

- a satisfactory system of control over transactions has not been maintained; or
- Bron Afon has not kept adequate accounting records; or
- Bron Afon’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 37, 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 Bron Afon’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 Bron Afon 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.

We discussed our audit independence complying with the Revised Ethical Standard 2024 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities.

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

- Enquiring of management, including obtaining and reviewing supporting documentation, concerning Bron Afon’s policies and procedures relating to:
- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas;

- Purchasing in relation to the development and maintenance programmes, including any sales to connected individuals at below market value;
- The recognition of development and maintenance expenditure in the correct period;
- The rationale for any major fund flows during the period;
- The potential of rent fraud arising as a result of collusion between the asset and housing teams.
- Obtaining an understanding of the legal and regulatory frameworks that the Company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

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

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

Use of our report

This report is made solely to the Association, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association’s members as a body for our audit work, for this report, or for the opinions we have formed.

In addition to our audit on the financial statements for the year ended 31st March 2025, we have reviewed the Board’s statement of Bron Afon’s compliance with the Welsh Government Circular 02/10, Internal Financial Control and Financial reporting (‘the Circular’).

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

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

Opinion

With respect to the Board’s statement on internal financial control on page 33, in our opinion the Board has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work in the financial statements.

Bevan Buckland LLP

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

Date: 25/07/2025

GROUP STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2025

The above relates wholly to continuing activities.

The notes on pages 56 to 105 form an integral part of the financial statements.

	Note	2025	2024
		£'000	£'000
Turnover	3	56,019	53,927
Less: Operating costs	3	(58,153)	(45,769)
Surplus on disposal of fixed assets	6	(59)	409
Operating surplus/(Deficit)		(2,193)	8,567
Interest receivable and other income	8	1,222	917
Interest payable and similar charges	9	(3,198)	(3,169)
Pension scheme net interest adjustment	10	-	600
Surplus/(Deficit) before taxation		(4,169)	6,915
Taxation	12	-	-
Surplus/(Deficit) for the year	7	(4,169)	6,915
Actuarial gain on pension scheme	33	-	1,992
Changes in Financial Assumptions	33	11,082	-
Effect of Pension Settlement	33	(10,290)	-
Total comprehensive (loss)/income for the year		(3,377)	8,907

BRON AFON STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2025

The above relates wholly to continuing activities.

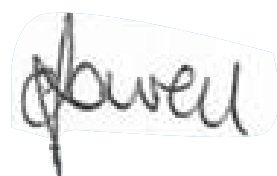
The notes on pages 56 to 105 form an integral part of the financial statements.

	Note	2025	2024
		£'000	£'000
Turnover	3	56,016	53,927
Less: Operating costs	3	(58,183)	(45,801)
Surplus on disposal of fixed assets	6	(59)	409
Operating surplus/(deficit)		(2,226)	8,535
Interest receivable and other income	8	1,222	917
Interest payable and similar charges	9	(3,198)	(3,169)
Pension scheme net interest adjustment	10	-	(600)
Surplus/(Deficit) before taxation		(4,202)	6,883
Taxation	12	-	-
Surplus/(Deficit) for the year	7	(4,202)	6,883
Actuarial gain on pension scheme	33	-	1,992
Changes in Financial Assumptions	33	11,082	-
Effect of Pension Settlement	33	(10,290)	-
Total comprehensive (loss)/income for the year		(3,410)	8,875

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

The above relates wholly to continuing activities.

The financial statements on pages 56 to 105 were approved by the Board on 25 July 2025 and signed on its behalf by:



Craig Nowell
Chair of the Board



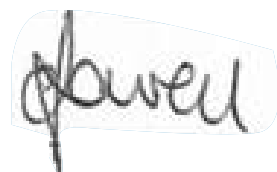
Mark Taylor
Director of Governance

	Note	2025 £'000	2024 £'000
Fixed assets			
Intangible assets	13	270	326
Housing properties	14	203,081	193,030
Investments- shared equity loans	15	403	445
Other properties held	16	2,962	2,804
Property, plant and equipment – other	17	4,907	5,149
		211,623	201,754
Current assets			
Stock	18	138	134
Debtors due within one year	19	7,596	8,922
Debtors due in more than one year	19	140,291	159,032
Current asset investments		25,624	15,544
Cash at bank and in hand		11,600	7,055
		185,249	190,687
Creditors: amounts falling due within one year	20	(27,141)	(21,417)
Net current assets		158,108	169,270
Total assets less current liabilities		369,731	371,024
Creditors: amounts falling due after more than one year			
Pension liability	21	(277,994)	(275,910)
Net assets	33	-	-
		91,737	95,114
Represented by:			
Capital and reserves			
Non-equity share capital	24	-	-
Revenue reserve		91,737	95,114
		91,737	95,114

BRON AFON STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

The above relates wholly to continuing activities.

The financial statements on pages 56 to 105 were approved by the Board on 25 July 2024 and signed on its behalf by:



Craig Nowell
Chair of the Board



Mark Taylor
Director of Governance

	Note	2025	2024
		£'000	£'000
Fixed assets			
Intangible assets	13	270	326
Housing properties	14	203,081	193,030
Investments- shared equity loans	15	403	445
Other properties held	16	2,962	2,804
Property, plant and equipment - other	17	5,196	5,475
		211,912	202,080
Current assets			
Stock	18	138	134
Debtors due within one year	19	7,596	8,922
Debtors due in more than one year	19	140,291	159,032
Current asset investments		25,624	15,544
Cash at bank and in hand		11,594	7,043
		185,243	190,675
Creditors: amounts falling due within one year	20	(27,138)	(21,412)
Net current assets		158,105	169,263
Total assets less current liabilities		370,017	371,343
Creditors: amounts falling due after more than one year		(277,994)	(275,910)
Pension liability	21	-	-
Net assets	33	92,023	95,433
Represented by:			
Capital and reserves		-	-
Non-equity share capital	24	92,023	95,433
Revenue reserve		92,023	95,433

GROUP STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2025

	Revenue Reserve	Total
	£'000	£'000
At 1 April 2023	86,207	86,207
Surplus for the year	6,915	6,915
Actuarial gain on the pension scheme	1,992	1,992
At 31 March 2024	95,114	95,114
At 1 April 2024	95,114	95,114
Surplus/(loss) for the year	(4,169)	(4,169)
Actuarial gain on the pension scheme	792	792
At 31 March 2025	91,737	91,737

BRON AFON STATEMENT
OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31
MARCH 2025

	Revenue Reserve	Total
	£'000	£'000
At 1 April 2023	86,558	86,558
Surplus for the year	6,883	6,883
Actuarial gain on the pension scheme	1,992	1,992
At 31 March 2024	95,433	95,433
At 1 April 2024	95,433	95,433
Surplus/(loss) for the year	(4,202)	(4,202)
Actuarial gain on the pension scheme	792	792
At 31 March 2025	92,023	92,023

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025	2024
		£'000	£'000
Net cash generated from operating activities	28	30,063	16,302
Cash flows from investing activities			
Component replacements		(16,453)	(10,694)
Development schemes		(5,296)	(6,024)
Purchase of property, plant and equipment		(329)	(677)
Purchase of intangible fixed assets		(47)	(121)
Purchase of other properties held		(385)	-
Shared equity loan issue		42	-
Proceeds from sale of housing properties		-	183
Proceeds from sale of property, plant and equipment		119	271
Grants received – component replacements		4,959	4,454
Grants received – other		3,929	2,173
Interest received		1,222	917
Net cash flows from investing activities		(12,240)	(9,518)
Cash flows from financing activities			
Interest paid		(3,198)	(3,102)
New loans		-	-
Loans repaid		-	-
Net cash flows from financing activities		(3,198)	(3,102)
Net increase/(decrease) in cash and cash equivalents		14,625	3,682
Cash and cash equivalents at the beginning of the year		22,599	18,917
Cash and cash equivalents at the end of the year	28	37,224	22,599

GROUP FREE CASH FLOW FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025	2024
		£'000	£'000
Net cash generated from operating activities	28	30,063	16,302
Interest paid		(3,198)	(3,103)
Interest received		1,222	917
Adjustment for reinvestment in existing properties			
Component replacements and other additions (note 14)		(16,453)	(10,694)
Purchase of other replacement fixed assets (notes 13, 16 & 17)		(762)	(798)
Component replacement grant received		4,959	4,454
Free cash generated before loan repayments		15,831	7,078
Loans repaid (excluding revolving credit and overdrafts)		-	-
Free cash generated after loan repayments		15,831	7,078

BRON AFON STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025	2024
		£'000	£'000
Net cash generated from operating activities	28	30,063	16,302
Cash flows from investing activities			
Component replacements		(16,453)	(10,694)
Development schemes		(5,296)	(6,024)
Purchase of property, plant and equipment		(329)	(677)
Purchase of intangible fixed assets		(47)	(121)
Purchase of other properties held		(385)	-
Shared equity loan issue		42	-
Proceeds from sale of housing properties		-	183
Proceeds from sale of property, plant and equipment		119	271
Grants received – component replacements		4,959	4,454
Grants received – other		3,929	2,173
Interest received		1,222	917
Net cash flows from investing activities		(12,240)	(9,518)
Cash flows from financing activities			
Interest paid		(3,198)	(3,102)
New loans		-	-
Loans repaid		-	-
Net cash flows from financing activities		(3,198)	(3,102)
Net increase/(decrease) in cash and cash equivalents		14,625	3,682
Cash and cash equivalents at the beginning of the year		22,599	18,917
Cash and cash equivalents at the end of the year	28	37,224	22,599

BRON AFON FREE CASH FLOW FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025	2024
		£'000	£'000
Net cash generated from operating activities	28	30,063	16,302
Interest paid		(3,198)	(3,103)
Interest received		1,222	917
Adjustment for reinvestment in existing properties			
Component replacements and other additions (note 14)		(16,453)	(10,694)
Purchase of other replacement fixed assets (notes 13, 16 & 17)		(762)	(798)
Component replacement grant received		4,959	4,454
Free cash generated before loan repayments		15,831	7,078
Loans repaid (excluding revolving credit and overdrafts)		-	-
Free cash generated after loan repayments		15,831	7,078

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. Legal Status

Bron Afon is registered under the Co-operative and Community Benefit Societies Act 2014 and is a Registered Social Landlord. Bron Afon has adopted charitable rules.

2. Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently in both the current and preceding year dealing with items considered material in relation to the financial statements.

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. They comply with the Statement of Recommended Practice (SORP) “Accounting by Registered Social Housing Providers” 2018, the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015 and the Housing and Regeneration Act 2008. The Board is satisfied that the current accounting policies are the most appropriate for Bron Afon. Bron Afon Community Housing Ltd Group is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed “PBE” in FRS 102.

Going concern

The activities of Bron Afon together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of Bron Afon, its cash flow, liquidity and borrowings are described in the financial statements.

Bron Afon is financially strong and it is clear that the business is a going concern, able to successfully trade during and after the pandemic. We have a high level of liquidity, having access to a £30 million revolving credit facility as well as cash and short term investments of £37m. The Interest Cover Ratio covenant with the lenders is our most sensitive covenant. The target was 1.1:1 and actual cover ratio was 2.9:1. To break the covenant our net income would have to fall by £3.46m.

Basis of Consolidation

The consolidated financial statements incorporate the state of affairs of the Group as at 31 March 2025 and of the results of the Group for the year then ended. The Group includes the parent Bron Afon Community Housing Ltd together with its two active subsidiaries, Afon Community Trust and Ardal Homes Limited. Uniform accounting policies are applied across the Group.

Intra-group balances and losses and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

(a) Turnover

Turnover represents rental and other income receivable, income from property sales, revenue grants receivable, proceeds from the sale of properties under the Low Cost Home Ownership (LCHO) scheme and Welsh Government GAP funding. It also includes grants reimbursing specific expenditure on the improvement programme as well as income receivable from feed in tariffs (FITs) from photovoltaic panels on both the office and housing properties.

Disposals of fixed assets are not included in turnover; however, following the publication of the 2018 Housing SORP and the clarification within this document regarding which items should be included within operating surplus, disposals of fixed assets income is included within operating surplus. Turnover is net of rent and service charge losses from voids.

(b) Grant Income

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

(b) Grant income (continued)

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component. Where grant is received as a contribution towards revenue expenditure, it is included in turnover. GAP funding received from the Welsh Government has been allocated between revenue and capital in accordance with the expenditure incurred.

All private sector grant is included in turnover as required by the SORP (2018).

(c) Bad and Doubtful Debts

Provision is made against rent arrears of current and former customers as well as other debts to the extent that they are considered potentially irrecoverable.

(d) Supporting People

Supporting People income and expenditure is accounted for on an accruals basis matching income and expenditure and disclosures are made in accordance with relevant standards and legislation.

(e) Fixed Assets

Housing Properties and Garages

Housing properties are those properties available for rent. They are measured at cost less accumulated depreciation and impairment. The cost includes only those costs which are directly attributable. Directly attributable costs can include the labour costs of Bron Afon's own direct works employees, materials used and overhead costs directly attributable. Bron Afon has not adopted a policy of capitalising borrowing costs, so all borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

Expenditure relating to planned maintenance or improvement will only be capitalised if it results in an increase to the economic performance of the asset. If the expenditure only maintained the assets performance or arrested its decline in performance, it is not capitalised. To increase an asset's performance, expenditure must result in one or more of the following occurring:

- Increased rental income;
- A reduction in future maintenance costs;
- A significant extension to the life of the property.

(e) Fixed Assets (continued)

Other Properties

Other properties held include the following:

- At transfer, Bron Afon received a number of commercial units which are held at nil value except, where additional work of a capital nature has been carried out, it has been capitalised as other properties held. A number of the refurbished units are used for social enterprise purposes to encourage the communities into business.
- Commercial Properties acquired or built as part of a refurbishment or new build scheme are capitalised in other properties held.

These properties are held for social purpose and for the benefit of customers and the local communities.

Property, plant and equipment – other

Non-housing property, plant and equipment is stated at historic cost less accumulated depreciation and any provision for impairment.

(f) Depreciation

Freehold land is not depreciated.

Housing Properties

In line with the requirements of the SORP (2018), housing properties are depreciated to write down the net book value to their estimated residual lives on a systematic basis over their estimated useful lives.

- Traditional built properties are depreciated over 100 years
- Non-traditional properties are depreciated over 50 years

Depreciation is charged on a straight line basis. The depreciable amount is arrived at on the basis of original cost, less the cost of land, less any residual value.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

(f) Depreciation (continued)

Improvements to Housing Properties

Expenditure in respect of refurbishment or the replacement of major components is assessed against the life of the component. Repairs with a life of less than 10 years are charged directly to the Statement of Comprehensive Income. Where such refurbishment or replacement is in respect of major components with an estimated useful life in excess of 10 years or more, then the expenditure is capitalised and depreciated over the useful life of the component as follows:

Summary of Components for Housing Properties	Projected Economic Life (years)
Roofs	50
Building structure (Walls, retaining walls, Paths etc.)	50
Windows	30
Rewires	30
Doors	25
Bathrooms	25
Cavity Wall Insulation	25
Lifts	25
Kitchens	15
Showers	15
Central Heating, Boilers and Gas Fires	15
Communal Areas (including - doors, kitchens, door entry, boilers, water storage)	15
Disabled Adaptations	15
Gardens (Hard landscaping including boundary walls and levelling out uneven surfaces)	12
CO Detectors	10

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

(f) Depreciation (continued)

Property, Plant and Equipment - Other

Depreciation is calculated to write off the cost of fixed assets on a straight line basis unless otherwise stated, over their estimated useful lives. The rates used for other property, plant and equipment are:

Office and commercial premises	2.0%
Office improvements - over the remaining time of the leases	
Furniture, fixtures and fittings	10.0%
Office equipment	20.0%
Computer hardware	25.0%
Plant and tools	25.0%
PV panels	4.0%
Inverters	8.3%
Motor vehicles (reducing balance)	25.0%

(f) Depreciation (continued)

Timing of Depreciation

The commencement of depreciation charged to Bron Afon Community Housing Limited

Statement of Comprehensive Income in respect of an asset is in the year following the acquisition of that asset.

(g) Leaseholders

Where the rights and obligations for maintaining a housing property reside with the leaseholder or tenant, any expenditure on works to maintain such properties incurred by Bron Afon is recharged to the leaseholder and recognised in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

(h) Impairment

At each reporting date, management assess whether an indicator of impairment exists. If so, an impairment assessment is carried out on an income generating unit (such as tenanted rented property) and any such impairment is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use. Bron Afon assesses impairment using:

- Trends in voids rates and letting of stock;
- Advice from external valuers regarding their expectations of the value of stock.

(i) Sales of Properties

Surpluses or deficits resulting from the sale of properties other than any first tranche shared ownership sales and fixed asset investments are shown in the Statement of Comprehensive Income under surpluses/ deficits from the sale of property, plant and equipment, and reported in the operating surplus.

Shared ownership properties, including those under construction, are split between non-current assets and current assets. The split is determined by the percentage of the property to be sold under the first tranche disposal which is shown on initial recognition as a current asset, with the remainder classified as a non-current asset within property, plant and equipment. Where this would result in a surplus on the disposal of the current asset that would exceed the anticipated overall surplus, the surplus on disposal of the first tranche is limited to the overall surplus by adjusting the costs allocated to current or non-current assets.

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 Statement of Financial Position at historic cost. The Association is entitled to a portion of the market value corresponding to the equity interest at a time when homeowners either dispose of their property or when they choose to repurchase some, or all, of the equity loan. Grants are recycled where they are deemed to be repayable.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

(j) Intangible Assets

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

Computer software including development 20.0%

(k) Stocks

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

(l) Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income as incurred.

(m) Provisions

Provisions are recognised where uncertainty exists in relation to the timing or amount that may be required to settle potential liabilities. Any amounts provided are 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.

(n) Finance Costs

Finance costs include both interest payments and any costs associated with the issue of the loan. For new loans, these costs are allocated to the Statement of Comprehensive Income over the term of the loan. Where loans are redeemed, the full cost of any redemption penalty is recognised in the Statement of Comprehensive Income in the year redemption takes place.

(o) Concessionary Loans

The Group receives loans at a subsidized rate from government. As the Association meets the definition of a public benefit entity, the Association initially measures these loans at the amount received and recognized in the statement of financial position. Annually the carrying amount of the loan is adjusted to reflected any accrued interest payable.

(p) Taxation

i. VAT

Bron Afon is registered for VAT. The financial statements include VAT to the extent that it is suffered and not recoverable from HM Revenue and Customs (HMRC). The balance of the VAT payable or recoverable at the year-end is included as a current liability or asset.

VAT Shelter

Bron Afon has a VAT Shelter in place, approved by HMRC. The VAT Shelter transfers the VAT cost of the works required to meet the Welsh Housing Quality Standard to Torfaen County Borough Council. The transactions are as follows:

(p) Taxation (continued)

- Under the transfer agreement the Council transferred the properties to Bron Afon together with an obligation to undertake the WHQS works at the Council’s expense. The price paid for the properties was £316m; this price reflects the tenanted market value of the stock which is nil and the estimated value of the works of £316m;
- The Council discharged its obligation to carry out the works under the Transfer Agreement by entering into a 15 year Development Agreement with Bron Afon. This is a fixed price contract for £316m plus VAT of £55m.

Over the life of the Development Agreement, Bron Afon is entitled to reclaim VAT on the costs it incurs from third parties for carrying out the WHQS works, as detailed in the Development Agreement.

In accordance with FRS 102 and the 2018 SORP, the payments and receipts under the VAT Shelter are recognised in advance of the work. The payments are shown in debtors and the receipts in liabilities. These amounts will be shown for the life of the agreement.

ii. Corporation Tax

Bron Afon is not liable for Corporation Tax on its core activities due to its charitable status. However, the non-charitable subsidiaries will be liable to corporation tax on taxable profits.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

(p) Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Statement of Financial Position date. Timing differences are differences between the Group’s taxable surpluses and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

(q) Pension Costs

Defined Benefit Scheme

Bron Afon participated in the Greater Gwent (Torfaen) Pension Fund which was administered by Torfaen County Borough Council. Many of the staff transferred to Bron Afon at the time of transfer were members of the fund, and any pension liabilities on transfer were fully funded by the Council, with subsequent costs to be incurred by Bron Afon.

The scheme was closed to new entrants from 1 September 2016. Therefore, membership of the Fund was limited to those who

- Were members before the 1 September 2016, or
- Transferred from Torfaen County Borough Council in March 2007 as part of the original transfer and so retain their right to join the fund whilst employed by Bron Afon.

(q) Pension Costs (continued)

It is a defined benefit scheme, providing benefits based on final pensionable pay.

Fund assets are measured using market values. Fund liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Bron Afon’s share of the Fund surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the Fund surplus/deficit is split in the Statement of Comprehensive Income between operating charges, finance items and actuarial gains and losses.

Defined Contribution Scheme

From 1 September 2016, Bron Afon participates in the Social Housing Pension Scheme defined contribution scheme. The amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

(r) Financial Instruments

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

(r) Financial Instruments (continued)

Financial Assets

Financial assets comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at the transaction price unless the arrangement constitutes a financing transaction. After initial recognition, they are measured at the undiscounted amount of the cash or other consideration expected to be received. Discounting is omitted where the effect of discounting is immaterial.

At the end of each reporting period, if there is objective evidence that there is an impairment loss for financial assets, Bron Afon recognises an impairment loss in the Statement of Comprehensive Income. The impairment loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced accordingly.

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

Financial Liabilities

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

Trade and other payables are recognised initially at the undiscounted amount owed to the supplier, which is normally the invoice price. After initial recognition, they are measured at the undiscounted amount of the cash or other consideration expected to be paid.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

(r) Financial Instruments (continued)

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction costs. Discounting is omitted where the effect is immaterial. A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Public Benefit Entity Concessionary Loans

Where loans are made between a public benefit entity within the Group or an entity within the public benefit entity group and other party at below the prevailing market rate of interest that are not repayable on demand and are for the purposes to further the objectives of the public benefit entity or public benefit entity parent, these loans are treated as concessionary loans and are recognised in the Statement of Financial Position at the amount paid or received and the carrying amount adjusted to reflect any accrued interest payable or receivable.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

(s) Significant Management Judgements and Key Sources of Estimation Uncertainty

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

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

Key sources of estimation uncertainty

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

Defined benefit pension scheme

Bron Afon has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in line with FRS102 in determining the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends. Please see note 33 for further information.

(s) Significant Management Judgements and Key Sources of Estimation Uncertainty (continued)

Components of housing properties and useful lives

Major components of housing properties have significantly different patterns of consumption of economic benefits. Estimates are made to allocate the initial cost of the property to its major components and to depreciate each component separately over its useful economic life. Bron Afon considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate. Please see note 14 for further information.

Gap funding

Where funding is received to compensate for a negative stock transfer value attributed to the housing stock transferred from the local authority the purpose of the grant is considered. Where the funding is considered to be received to fund a repair and improvement programme which replaces housing property components, it is recognised over the life of the component assets to which it relates. Where the funding is considered to be received to fund interest payments, it is recognised as revenue in the period in which it becomes receivable. The calculation of the split between revenue and capital involves judgement on the elements of expenditure for which the funding is considered to be received. Please see note 21 for further information.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025**

**(s) Significant Management Judgements and Key Sources of
Estimation Uncertainty (continued)**

Significant Management Judgements

The following judgements include an element of estimation uncertainty when applying the accounting policies of Bron Afon. These could have a significant effect on the amounts recognised in the financial statements.

Impairment of social housing properties

Bron Afon has to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP (2018). This is discussed in accounting policy (h).

Capitalisation of housing property & other development costs

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

Please see note 14 for further information.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

3. Turnover, operating costs and operating surplus

Within "Other social housing activities" income for Bron Afon and the Group is grant income of £175k (2024: £298k). Bron Afon and the Group received £5.8m of GAP funding from the Welsh Government, of which £841k (2024: £1.3m) has been allocated to revenue.

Turnover, operating costs and operating surplus

GROUP	2025		
	Turnover	Operating costs	Operating surplus/ (deficit)
	£'000	£'000	£'000
Social housing lettings (note 4)	53,534	(56,623)	(3,089)
Other social housing activities			
Other (including leaseholders)	531	(1,215)	(684)
Government grants	841	-	841
Value Added Tax recoverable	59	-	59
Non social housing activities			
Other	1,054	(312)	742
Operating results	56,019	(58,153)	(2,134)

GROUP	2024		
	Turnover	Operating costs	Operating surplus/ (deficit)
	£'000	£'000	£'000
Social housing lettings (note 4)	50,908	(44,271)	6,637
Other social housing activities			
Other (including leaseholders)	699	(1,129)	(430)
Government grants	1,346	-	1,346
Value Added Tax recoverable	59	-	59
Non social housing activities			
Other	915	(369)	546
Operating results	53,927	(45,769)	8,158

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

3. Turnover, operating costs and operating surplus (continued)

BRON AFON		2025		
	Turnover	Operating costs	Operating surplus/ (deficit)	
	£'000	£'000	£'000	
Social housing lettings (note 4)	53,534	(56,623)	(3,092)	
Other social housing activities				
Other (including leaseholders)	531	(1,215)	(684)	
Government grants	841	-	841	
Value Added Tax recoverable	59	-	59	
Non social housing activities				
Other	1,054	(312)	709	
Operating results	56,019	(58,153)	(2,167)	

BRON AFON		2024		
	Turnover	Operating costs	Operating surplus/ (deficit)	
	£'000	£'000	£'000	
Social housing lettings (note 4)	50,908	(44,271)	6,637	
Other social housing activities				
Other (including leaseholders)	699	(1,129)	(430)	
Government grants	1,346	-	1,346	
Value Added Tax recoverable	59	-	59	
Non social housing activities				
Other	915	(401)	514	
Operating results	53,927	(45,801)	8,126	

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

4. Particulars of income and expenditure from Social Housing lettings – Group and Bron Afon

	2025	2024
	£'000	£'000
Income		
Rents	48,107	45,293
Service charges	1,663	1,849
Supporting People grant	-	307
Amortised Government grant – housing properties	3,633	3,408
Amortised Government grant – other properties	74	51
Government Grant-Transitional Accommodation funding	57	-
	53,534	50,908
Management costs	8,259	6,604
Service charge costs	8,412	6,022
Routine maintenance	26,754	18,958
Improvement expenditure	1,471	1,342
Bad debts	114	(228)
Depreciation of housing properties	11,554	11,511
Depreciation of other properties	62	62
Operating costs on social housing activities	56,626	44,271
Operating surplus/(deficit) on social housing lettings	(3,092)	6,637
Rent loss due to voids (memorandum note)	1,470	1,251

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

5. Units in management at end of year – Group and Bron Afon

	2025	2024
	£'000	£'000
Housing accommodation	8,168	8,145
Shared ownership	70	70
Managed on long lease	868	886
Garages	1,952	1,962
Commercial	24	24
Total units in management	11,082	11,087

6. Surplus on disposal of housing properties and property, plant and equipment – Group and Bron Afon

	2025	2024
	£'000	£'000
Housing properties - sales proceeds	-	183
Other property, plant and equipment - sales proceeds	119	271
Housing properties - cost of sales	-	(10)
Other property, plant and equipment -cost of sales	(178)	(35)
Surplus on disposal	59	409

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

7. Surplus for the year

	2025		2024	
	Group	Bron Afon	Group	Bron Afon
	£'000	£'000	£'000	£'000
Surplus for the year is stated after charging:				
Amortisation – intangible assets	104	104	106	106
Depreciation – housing properties	11,230	11,230	11,131	11,131
Depreciation – other properties	62	62	62	62
Depreciation – property, plant and equipment – other				
External auditor’s remuneration	568	605	589	624
(including VAT)				
	37	32	34	29
	4	4	6	4
Operating lease rentals (office premises)	867	867	916	916
Operating lease rentals (other)	825	825	639	639

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

8. Interest receivable and similar income – Group and Bron Afon

	2025	2024
	£'000	£'000
Bank interest receivable	1,222	917
	1,222	917

9. Interest payable and similar charges – Group and Bron Afon

Interest on development loans is net of £64k (2024: £65k) of Housing Finance Grant (HFG) 2 grant income.

	2025	2024
	£'000	£'000
Interest on loans repayable by instalments in more than 5 years		
Loans including HFG interest element	3,154	3,125
Loan issuing fees	44	44
	3,198	3,169

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

10. Pension scheme net interest adjustment – Group and Bron Afon

The pension scheme net interest adjustment represents the difference between the estimated notional interest we would have earned on our pension assets and the estimated notional interest we would have paid on our defined benefit obligations.

Bron Afon exited the Local Government Pension Scheme in July 2024 and no longer has any active members in the scheme.

11. Employee information

Group and Bron Afon

The average number of employees as full time equivalents:

The calculations are based on a 37.5 hour week.

The cost of staff employed by the Group was as follows:

Bron Afon has contributed £730k into its defined benefit scheme and £1.398m into its defined contribution scheme during the year (2024: defined benefit scheme £2.185m and defined contribution scheme £377k). Amounts outstanding to the schemes at year end were £nil (2024: £nil). Bron Afon exited the Defined Benefit Scheme in July 2024, in doing so paid former members transition payments totalling £8.3m and an additional associated £728k in social security costs. Both are included in the figures above. The ratio of highest to lowest paid employee is 11.93 to 1 (2024: 13.78 to 1).

	2025	2024
	£'000	£'000
Adjustment for finance costs in respect of the defined benefit pension scheme (note 33)	-	(600)
	-	(600)

	2025	2024
	£'000	£'000
Finance and administration	54	51
Housing management	95	101
Direct maintenance	237	232
	386	384
Full time equivalents at the end of the year was:	394	379

	2025	2024
	£'000	£'000
Wages and salaries	23,453	14,125
Social security costs	2,229	1,424
Pension costs	2,128	2,561
Compensation for loss of office	38	
Holiday pay accrual	81	(15)
	27,929	18,095

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

11. Employee information (continued)

Directors’ emoluments – Group and Bron Afon

Total emoluments paid to directors who are part of the management team:

The Chief Executive was an ordinary member of Bron Afon’s Defined Contribution Scheme (Social Housing Pension Scheme). Bron Afon’s contribution to the Chief Executive’s pension scheme was £17k (2024: £15k).

	2025	2024
	£'000	£'000
Emoluments (including pension contributions)	816	558
Emoluments (excluding pension contributions) include amounts paid to:	729	507
The highest paid director 2025 (Executive Director People, Change and Technology)	178	105
The highest paid director (Chief Executive)	147	140
	2024	2023
The number of the Directors who received emoluments (excluding pension contributions) were in the following ranges:		
Up to £50,000	-	3
£50,001 to £60,000	-	1
£60,001 - £70,000	1	-
£80,001 - £90,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
£130,001 - £140,000	1	1
£140,001 - £150,000	1	-
£170,001 - £180,000	1	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

12. Taxation Group and Bron Afon

b) Factors affecting tax charge for the year

The tax charge for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below.

Bron Afon was registered with charitable rules on 18 March 2008 and from that date is accepted as a charity for tax purposes. Consequently, the surpluses derived from primary charitable activities are exempt from taxation. Ardal Homes, one of the members of the Group, was registered under the Companies Act 2006 on 21 June 2011 and is liable to pay Corporation Tax on taxable profits.

	2025		2024	
a) Analysis of tax on ordinary activities	Group	Bron Afon	Group	Bron Afon
	£'000	£'000	£'000	£'000
UK corporation tax at 25% (2024:25%)	-	-	-	-

	2025		2024	
	Group	Bron Afon	Group	Bron Afon
	£'000	£'000	£'000	£'000
Surplus/(loss) on ordinary activities before tax	(4,169)	(4,202)	6,915	6,883
Surplus/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK 25% (2024: 25%)	(1,042)	(1,051)	1,729	154
Effects of: Charitable activities	1,042	1,051	(161)	(154)
Current charge for the year	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025**

13. Intangible assets – Group and Bron Afon

Computer Software		2025 Total
	£'000	£'000
Cost		
At the beginning of the year	3,019	3,019
Additions and other capitalised costs	47	47
Disposals during year	-	-
At the end of the year	3,067	3,067
Amortisation		
At the beginning of the year	2,693	2,693
Charge for the year	104	104
Disposals during year	-	-
At the end of the year	2,797	2,797
Net book value		
At end of year	270	370
At beginning of year	326	326

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025**

14. Housing properties – Group and Bron Afon

There has been no interest capitalised in the year (2024: £nil). Improvement and component replacement expenditure capitalised in the year amounted to £16.52m (2024: £10.7m). Freehold housing properties under construction includes the cost of new developments incurred during the year; once complete, some of the properties constructed may be designated as properties for sale under the low cost home ownership scheme, and the appropriate adjustments will be made in the financial statements at this time. The depreciation charge of £11.2m (2024: £10.6m) relates to additions in years 2023/24 and earlier. This is in line with Accounting Policy note f, which states that depreciation commences in the year following acquisition.

Bron Afon is in receipt of £5.8m per annum of GAP funding from the Welsh Government, of which £4.9m (2024: £4.5m) has been allocated to Housing Properties.

Freehold land and buildings with a carrying amount of £151m (2024: £146.5m) have been pledged to secure borrowings of Bron Afon. Bron Afon is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

	Freehold Housing properties	Components	Freehold Housing Properties	
	held for	under	under	2025
	letting	construction	construction	Total
	£'000	£'000	£'000	£'000
Cost				
At beginning of year	277,999	3,806	7,201	289,007
Additions and other capitalised costs:				
Component replacements	9,544	6,909	-	16,453
New development schemes	484	-	4,812	5,296
Development Schemes completed during the year	6,765	(202)		-
Components completed during the year	6,532	(6,532)	(6,563)	-
Disposals during the year	(2,774)	-	-	(2,774)
At end of the year	298,551	3,982	5,450	307,982
Depreciation & Impairment				
At beginning of year	95,977	-		95,977
Charge for the year	11,230	-	-	11,230
Disposals during year	(2,306)	-	-	(2,306)
Impairment charge for the year	-	-	-	-
At end of the year	104,901	-	-	104,901
Net book value				
At end of year	193,650	3,982	5,450	203,081
			5,450	
At beginning of year	182,023	3,806	7,201	193,030

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

15. Shared equity loans receivable

Shared equity loans receivable represent the initial value of Bron Afon’s remaining equity share in 7 (2024: 8) properties funded under low cost home ownership arrangements.

	2025 Total	2024 Total
	£'000	£'000
At beginning of year	445	445
Loans repaid during the year	(45)	-
At end of year	403	445

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

**16. Tangible fixed assets – other properties held -
Group and Bron Afon**

Other properties held relate to our commercial units.
Land was sold during the year.

	Land	Other Properties	2024 Total
	£'000	£'000	£'000
Cost			
At beginning of year	166	3,077	3,243
Additions and other capitalised costs	-	385	385
Disposals during year	(166)	-	(166)
At end of year	-	3,462	3,462
Depreciation & Impairment			
At beginning of year	-	439	439
Charge for the year	-	61	61
Disposals during year	-	-	-
At end of year	-	500	500
Net book value			
At end of year	-	2,962	2,962
At beginning of year	166	2,638	2,804

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

17. Property, plant and equipment - other

BRON AFON	Office leasehold improvements	Office & computer equipment	Fixtures & Fittings	Other	Motor vehicles	Plant & Tools	PV panels	PV inverters	2025 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost									
At beginning of year	975	2,286	671	175	9	172	5,675	1,251	1,251
Additions during year	-	55	3	-	-	31	176	65	330
Disposals during year	-	(3)	-	-	(4)	-	-	-	(7)
At end of year	975	2,338	674	175	5	203	5,851	1,316	11,537
Depreciation & Impairment									
At beginning of year	774	1,797	472	115	8	119	1,777	1,003	6,065
Charge for the year	50	197	44	7	-	24	228	20	570
Disposals during year	-	(1)	-	-	(4)	-	-	-	(5)
At end of year	824	1,993	516	122	4	143	2,005	1,023	6,630
Net book value									
At end of year	151	345	158	53	1	60	3,846	293	4,907
At beginning of year	201	489	199	60	1	53	3,898	248	5,149

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

17. Property, plant and equipment - other (continued)

GROUP	Office leasehold improvements	Office & computer equipment	Fixtures & Fittings	Other	Motor vehicles	Plant & Tools	PV panels	PV inverters	2025 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost									
At beginning of year	975	2,286	671	175	9	172	6,302	1,392	11,982
Additions during year	-	55	3	-	-	31	176	65	330
Disposals during year	-	(3)	-	-	(5)	-	-	-	(8)
At end of year	975	2,338	674	175	4	203	6,478	1,457	12,304
Depreciation & Impairment									
At beginning of year	774	1,797	472	115	8	119	2,163	1,059	6,507
Charge for the year	50	197	44	7	-	24	253	32	606
Disposals during year	-	(1)	-	-	(4)	-	-	-	(5)
At end of year	824	1,992	516	122	4	143	2,416	1,091	7,108
Net book value									
At end of year	151	346	158	53	-	60	4,062	366	5,196
At beginning of year	201	489	199	60	-	53	4,139	333	5,475

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

18. Stock – Group and Bron Afon

	2025	2024
	£'000	£'000
Materials	138	134
Properties held for disposal	-	-
	138	134

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

19. Debtors

Included within other debtors and prepayments is an amount due within one year of £46k (2024: £44k) from the Welsh Government in respect of Housing Finance Grant 2.

	2025		2024	
	Group	Bron Afon	Group	Bron Afon
	£'000	£'000	£'000	£'000
Debtors due within one year:			-	-
Arrears of rent and service charges	1,852	1,852	1,810	1,810
Less: provision for bad and doubtful debts	(1,178)	(1,178)	(1,158)	(1,158)
	674	674	652	652
Leaseholder arrears – major works and service charges	254	254	378	378
Less: provision for bad and doubtful debts	(24)	(24)	(39)	(39)
Sundry Debtors	249	249	112	112
Less: provision for bad and doubtful debts	(167)	(167)	(63)	(63)
Value Added Tax recoverable	220	220	215	215
VAT shelter agreement	4,140	4,140	5,904	5,904
Other debtors and prepayments	2,250	2,250	1,763	1,763
	7,596	7,596	8,922	8,922

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

19. Debtors (continued)

	2025		2024	
	Group	Bron Afon	Group	Bron Afon
	£'000	£'000	£'000	£'000
Debtors due within one year:				
VAT shelter agreement	138,764	138,764	141,821	141,821
Housing Finance Grant 2	1,527	1,527	1,573	1,573
Pension Asset	-	-	15,638	15,638
	140,291	140,291	159,032	159,032

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

20. Creditors: amounts falling due within one year

Accruals and deferred income includes £5.5m in Social Housing Grant received in advance (2024: £1.2m).

	2025		2024	
	Group	Bron Afon	Group	Bron Afon
	£'000	£'000	£'000	£'000
Rent received in advance	1,775	1,775	1,527	1,527
Trade creditors	3,403	3,403	1,664	1,664
Other taxation and social security costs	349	349	349	349
Capital creditors	720	720	967	967
VAT shelter agreement	4,140	4,140	5,904	5,904
Government grants	4,027	4,027	3,745	3,745
Accruals and deferred income	12,473	12,473	6,959	6,959
Provision (see note 23)	-	-	-	-
Other creditors	254	254	302	302
	27,141	27,141	21,417	21,417

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

21. Creditors: amounts falling due after one year -
Group and Bron Afon

	2025	2024
	£'000	£'000
Housing loans (note 22)	63,000	63,000
Less: Loan issuing fees	(669)	(713)
	62,331	62,287
VAT shelter agreement	138,764	141,821
Government grants	73,204	68,449
Government concessionary loans	2,005	2,005
Recycled capital grant fund	335	318
Other creditors	39	23
Other provisions (note 23)	1,316	1,007
	277,994	275,910

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

21. Creditors: amounts falling due after one year -
Group and Bron Afon (continued)

Recycling of Capital Grant and Disposals Proceeds Fund

	2025 Total	2024 Total
	£'000	£'000
At beginning of year	318	318
Add: funds arising from property sales	17	(713)
At end of year	318	318

Deferred income – Government grants

	2025	2024
	£'000	£'000
At beginning of year	72,194	69,256
Grants receivable	8,888	6,627
Disposals	(143)	(230)
Amortisation to statement of comprehensive Income	(3,707)	(3,459)
At the end of the year	77,232	72,194
Amounts due within one year	4,027	3,745
Amounts due after more than one year	73,204	68,449

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

21. Creditors: amounts falling due after one year -
Group and Bron Afon (continued)

Government grants include the amounts received for capital investment from the Welsh Government GAP funding, a European grant received through Torfaen County Borough Council and grants received as part of Torfaen County Borough Council’s Vibrant and Viable Places Scheme. The total value of the grants received to date is £106.7m before amortisation (2024: £97.8m). During the year, £4.9m of the £5.8m (2024: £4.5m) received from the Welsh Government as GAP funding was allocated to capital spend.

The Group have concessionary loans of £2m from Welsh Government under Other Government Funding for social housing development, interest free with no set repayment date.

22. Housing loans – Group and Bron Afon

Housing loans are secured by specific charges on Bron Afon Community Housing’s properties. The interest rates range from 3.204% to 6.36% for fixed rate loans and 1.35% plus SONIA for variable loans. Existing lenders are NatWest and Principality.

	2025 Total	2024 Total
	£'000	£'000
At beginning of year	318	318
Add: funds arising from property sales	17	(713)
At end of year	318	318

	2025	2024
	£'000	£'000
Repayable by instalments due as follows:		
Five years or more	63,000	63,000
	63,000	63,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

23. Provisions – Group and Bron Afon

£1.316m relates to the anticipated dilapidation costs associated with Tŷ Bron Afon. The lease on the building ends on 30th March 2028, and there is currently no arrangement to extend beyond this date.

	2025 Total	2024 Total
	£'000	£'000
At beginning of year	1,007	984
Additional provisions arising in the year	309	23
At end of year	1,316	1,007

24. Non-equity share capital – Bron Afon

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends, redemption or distributions on a winding up. In addition to the above, Ardal Homes Limited has £1 authorised and issued share capital in its financial statements. This share is owned by Bron Afon Community Housing Ltd.

	2025	2024
	£	£
Shares of 10p		
At beginning of year	230	234
Shares issued during the year	-	-
Shares forfeited in year	(3)	(4.0)
At end of year	227	230

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

25. Capital commitments – Group and Bron Afon

The Board expects that any expenditure they have authorised will be fully financed by grants, loans and reserves.

	2025 Total	2024 Total
	£'000	£'000
Expenditure contracted less certified	4,837	3,259
Expenditure authorised by the Board but not contracted	14,383	18,281
	19,220	21,540

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

26. Contingent liability

In March 2024, Bron Afon 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”) a result of a potential administrative error, during the year ended 31 March 2024. On identification of the issue, immediate steps were taken to ensure compliance with legal obligations as the Association is currently able to understand them. There is an ongoing claim in the High Court brought by a group of Registered Social Landlords including Bron Afon, to seek a series of declarations as to the correct meaning and interpretation of the potential obligations. The case was heard in July 2024 and judgement issued in November 2024 against the RSLs. The RSLs having considered the judgement and taken legal advice have lodged a counterclaim which is due to be heard in summer 2025.

Having taken legal advice, we have 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.

	2025		2024	
	Group	Bron Afon	Group	Bron Afon
	£'000	£'000	£'000	£'000
Payments due:				
Within one year	1,533	1,533	1,649	1,649
Between two and five years	1,853	1,853	3,414	3,414
Over five years	-	-	10	10
	3,386	3,386	5,073	5,073

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

27. Operating leases – Group and Bron Afon

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

Group	2025	2024
	£'000	£'000
Net cash generated from operating activities		
Surplus for the year	7,672	6,915
Adjustments for non-cash items:		
Depreciation of housing properties	11,230	11,313
Depreciation of other properties held	62	62
Depreciation of property, plant and equipment	568	589
Amortisation of intangible assets	104	106
Amortisation of Government grants	(3,707)	(3,459)
Disposal of Government grants	(143)	(230)
(Increase) / decrease in stock	(4)	9
Decrease in debtors	20,020	6,189
Decrease in Government grant debtors	46	45
(Decrease) in creditors	2,418	(6,457)
Increase in provisions	309	23
Pension contributions – FRS102 costs	(11,082)	(479)
Carrying value of fixed asset disposals	471	615
Amortisation of loan fees & loan arrangement fees	44	45
	20,335	8,189
Adjustment for investing or financing activities:		
Proceeds from sale of housing properties	-	(183)
Proceeds from sale of fixed assets	47	(271)
Interest paid	3,198	3,169
Interest received	(1,222)	(917)
Pension scheme FRS102 finance costs		(600)
	2,023	1,198
Net cash generated by operating activities	30,063	16,302

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

28. Statement of cash flows

The Group has not entered into any finance lease arrangements in respect of assets in either the current or the previous year.

	2025	2024
	£'000	£'000
Cash at bank and in hand	11,600	7,055
Cash equivalents included in current asset investments	25,624	15,544
Cash and cash equivalents	37,224	22,599

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

28. Statement of cash flows (continued)

Bron Afon has not entered into any finance lease arrangements in respect of assets in either the current or the previous year.

Bron Afon	2025	2024
	£'000	£'000
Net cash generated from operating activities		
Surplus for the year	7,672	6,883
Adjustments for non-cash items:		
Depreciation of housing properties	11,230	11,131
Depreciation of other properties held	62	62
Depreciation of property, plant and equipment	605	624
Amortisation of intangible assets	104	106
Amortisation of Government grants	(3,707)	(3,459)
Disposal of Government grants	(143)	(230)
(Increase)/decrease in stock	(4)	9
Decrease in debtors	20,020	6,189
Decrease in Government grant debtors	46	45
(Decrease) in creditors	2,420	(6,458)
Increase in provisions	309	23
FRS 102 pension costs	(11,082)	(479)
Carrying value of fixed asset disposals	471	615
Amortisation of loan fees & loan arrangement fees	44	45
	20,374	8,223
Adjustment for investing or financing activities:		
Proceeds from sale of housing properties	-	(183)
Proceeds from sale of fixed assets	47	(271)
Interest paid	3,198	3,169
Interest received	(1,222)	(917)
Pension scheme finance costs	-	(600)
	2,023	1,198
Net cash generated by operating activities	30,069	25,724

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

28. Statement of cash flows (continued)

	2025	2024
	£'000	£'000
Cash at bank and in hand	11,594	7,043
Cash equivalents included in current asset investments	25,624	15,544
Cash and cash equivalents	37,218	22,587

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

29. Reconciliation of net debt

Group	At 1 April 2024	Cash flows	At 31 March 2025
Cash at bank and in hand	7,055	4,545	11,600
Cash equivalents included in current asset investments	15,544	10,080	25,624
Housing loans	(63,000)	-	(63,000)
	(40,401)	14,625	(25,776)

Bron Afon	At 1 April 2024	Cash flows	At 31 March 2025
Cash at bank and in hand	7,043	4,551	11,594
Cash equivalents included in current asset investments	15,544	10,080	25,624
Housing loans	(63,000)	-	(63,000)
	(40,413)	14,631	(25,782)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

30. Related party transactions

None of Bron Afon’s Senior Management Team or Board of Management had any related party transactions with Bron Afon during the year which require disclosure.

The following individuals who served on the Board were also customers of Bron Afon Community Housing:

The tenancies of all Board Members above are on normal commercial terms and their position as Board Members does not confer any advantage on these individuals as customers.

At 31 March 2025, Board members who were customers of Bron Afon had balances as follows:

Additionally, fees of £nil were paid by Bron Afon on behalf of Afon Community Trust and later recharged (2024:£nil).

Two of Bron Afon’s Board Members are Councillors of Torfaen County Borough Council. Any transactions with the Council are made at arm’s length, on normal commercial terms and the Council Board members cannot use their position to their advantage. During the year, the value of transactions made with the Council was £934k (2024: £852k). This includes grounds maintenance (£618k), and other services (£316k). The amounts outstanding at the year end were £105k (2024 £nil).

Bron Afon is one of four members of Barcud LLP, which was set up to provide internal audit services to the member organisations. Barcud also provides procurement services to two of the members, including Bron Afon. The liability of Bron Afon is limited to £1, being the amount that Bron Afon undertakes to contribute to the assets of the company. Expenditure on the services during the year was £179k (2024: £166k) and there were no amounts outstanding at the year end.

	Bron Afon	Ardal Homes	Afon Community Trust
Hilary Drinkwater	✓		
Amanda Owen	✓		
Jillian Wadley	✓		✓
David Williams	✓		

	2025		2024	
	Rent	Arrears	Rent	Arrears
	£	£	£	£
Bron Afon	21,235	264	13,445	8

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

31. Board Members Expenses

Board members have received remuneration since December 2020. The emoluments paid to the non-executive Board members were as below:

	2025	2024
	Total	Total
	£	£
Craig Nowell	11,000	8,441
Andrew Lawrence (Former Chair resigned 31/12/2023)	-	8,448
Hilary Drinkwater	5,000	4,583
Mandy Eddolls (resigned 31/12/23)	-	5,625
Peter Jackson (Bron Afon and Ardal Homes Ltd)	5,000	5,000
Marc Leppard	7,500	1,943
David Michael (resigned 31/12/2023)	-	5,625
Patrick Odling-Smee (Bron Afon and Ardal Homes Ltd)		
Amanda Owen	5,000	5,000
David Selway	5,000	5,000
Jane Pound	7,500	5,625
Philipa Armstrong	7,583	5,625
David Williams	5,000	5,000
Jill Wadley (Bron Afon 25/05/23 and Afon Community Trust)	5,000	5,000
Kathryn Price (Co-opted to Assurance Committee 27/08/2024)	5,000	4,167
Nayur Zahoor (Co-opted to People & Governance Committee 04/05/2024)	1,667	-
	2,138	-
	72,388	75,082

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

31. Board Members Expenses (continued)

In addition to the emoluments above the Board members have claimed the following expenses during the year. Travel expenses incurred for 2025 were £476 (2024: £500). The expenses of £3,551 incurred in 2025 relate to events, mobile phone, stationery and car parking costs (2024: £3,434).

	2025	2024
	Total	Total
	£	£
Craig Nowell (Chair 01/01/24)	528	446
Andrew Lawrence (Former Chair) (Resigned 31/12/23)	-	515
Phillipa Armstong-Owen	777	229
Hilary Drinkwater	275	249
Mandy Eddolls (resigned 31/12/23)	-	65
Marc Leppard (appointed 01/01/24)	125	870
Peter Jackson (Bron Afon and Ardal Homes Ltd)	289	238
David Michael	-	324
Patrick Odling-Smee (Bron Afon and Ardal Homes Ltd)	350	184
Jane Pound	418	229
David Selway	98	63
Jill Wadley (Bron Afon 25/05/23 and Afon Community Trust)	345	322
David Williams	70	203
	3,551	3,935

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

32. Control of related parties

Financial transactions between the parent and the subsidiary consist of recharges from Bron Afon to Ardal Homes Limited and Afon Community Trust. During the year, Bron Afon paid £nil (2024: £nil) to Ardal Homes Limited and Ardal Homes Limited paid £nil (2024: £nil) to Bron Afon Community Housing. During the year, Bron Afon paid £2,639 (2024: £nil) to Afon Community Trust and Afon Community Trust paid £nil (2024: £nil) to Bron Afon Community Housing.

Bron Afon Community Housing Ltd, which is registered as a Registered Social Landlord with the Welsh Government, is the ultimate parent undertaking of Ardal Homes Limited, Afon Community Trust, and Afon Energy Limited. Afon Energy Limited is currently dormant. Ardal Homes Limited is a company limited by guarantee and is registered in England and Wales. Afon Community Trust is a charity registered with the Charities Commission.

During the financial year, both Ardal Homes and Afon Community Trust had only a limited number of transactions. These relate to minor administrative charges.

	At end of 31 July 2024	At end of 31 March 2024
Rate of inflation	-	3.05%
Rate of increase in salaries	2.75%	3.05%
Rate of increase in pensions	2.75%	3.05%
Discount rate	5.00%	4.80%

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

33. Pension scheme – Group and Bron Afon Community Housing

Bron Afon employees who joined prior to 1 September 2016 were entitled to be members of the Greater Gwent (Torfaen) Pension Scheme. From this date, the scheme was closed to new entrants and in July 2025 Bron Afon exited from the scheme. This scheme was a Local Government Pension Scheme operated by Torfaen County Borough Council. Torfaen County Borough Council transferred employees to Bron Afon at the time of the stock transfer. Many of these were members of Greater Gwent (Torfaen) Pension Fund with the pension liabilities on transfer fully funded by the Council with subsequent costs to be incurred by Bron Afon. Under the Council’s actuarial valuation therefore, Bron Afon took on a £nil net liability position on transfer.

The Triennial Valuation was carried out during 2021/22 and impacts 2022/23 onwards. The contribution rates were held constant. Bron Afon exited the scheme on 31st July 2024 and an exit credit of £16.4m was received with the release of the scheme debtor of £15.6m, resulting in a positive net impact of £792k. Contributions paid for the year and charged to the Statement of Comprehensive Income were £731,116 (2024: £2,188,000). The effects of the exit settlement have been shown separately on the face of the Statement of Comprehensive Income.

Mortality assumptions:

Non-retired members (retiring in the future in normal health)	SIPA CMI_2018_[1.25%]	(98% Males, 97% Females)
Current pensioners (retired in normal health)	SIPA CMI_2018_[1.25%]	(98% Males, 97% Females)

	July 2024 Years	2024 Years
Retiring today:		
Males	18.9	18.9
Females	22.4	22.4
	2024	2024
	Years	Years
Retiring in 20 years:		
Males	20.1	20.1
Females	23.9	23.9

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

33. Pension scheme (continued) – Group and Bron Afon

The fair value of the scheme’s assets and the present value of the scheme’s liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	July 2024		2024	
	£'000	%	£'000	%
Equities	-	74.0	84,170	79.0
Bonds	-	17.0	18,112	17.0
Property	-	6.0	3,196	3.0
Cash/liquidity	-	3.0	1,065	1.0
Total fair value of plan assets at end of period	-		106,544	
Present value of defined benefit obligations	-		(90,906)	
Surplus/(deficit)	-		15,638	

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

33. Pension scheme (continued) – Group and Bron Afon

Movements in the fair value of the scheme assets during the year to 31 July 2024

	July 2024 £'000	2024 £'000
Present value of plan assets at beginning of year	106,544	94,027
Effects of settlement	(109,997)	-
Interest income	1,669	4,477
Actuarial (loss)/gain on plan assets	1,570	7,566
Employers and members contributions	933	2,784
Benefits and transfers paid	(719)	(2,310)
Present value of plan assets at end of year	-	106,544

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

33. Pension scheme (continued) – Group and Bron Afon

Movements in the present value of the defined benefit obligations during the year to 31 July 2024	July 2024 £'000	2024 £'000
Present value of scheme liabilities at beginning of year	94,027	81,622
Current service cost	-	1,710
Interest cost	4,477	3,877
Members contributions	596	596
Past service cost	2,188	-
Benefits and transfers paid	(2,310)	(2,310)
Actuarial (gains) on liabilities	7,566	5,411
Present value of scheme liabilities at end of year	106,544	90,906

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

33. Pension scheme (continued) – Group and Bron Afon

Change in scheme deficit during the year to 31 July 2024

	July 2024 £'000	2024 £'000
Surplus/(Deficit) in scheme at the beginning of year	15,638	12,568
Current service cost	(27,698)	(1,710)
Net interest	245	600
Employer contributions	733	2,188
Past service cost	-	(163)
Actuarial gains	11,082	2,155
Surplus/ (deficit) in scheme at the end of the year	-	15,638

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

33. Pension scheme (continued) – Group and Bron Afon

Amounts recognised in the Statement of Comprehensive Income in respect of the defined benefit pension scheme are as follows:

	2025 £'000	2024 £'000
Analysis of amounts included in operating costs		
Current service cost	(607)	1,710
Effects of settlement	(27,901)	-
Analysis of amounts included in net pension costs		
Net interest cost (note 10)	245	(600)
	(27,453)	1,110
Actuarial gains on liabilities	9,512	(5,411)
Actuarial (losses)/gains on assets	1,570	7,566
Actuarial adjustment 2022-23	-	(163)
Actuarial gain	11,082	1,992
Total cost relating to defined benefit scheme	(38,535)	(882)
Actual Return on Plan Assets	3,239	12,043

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

33. Pension scheme (continued) – Group and Bron Afon

Sensitivity analysis

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

Change in assumptions at 31 July 2024:	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	0%	-
1 year increase in member life expectancy	0%	-
0.1% increase in the Salary Increase Rate	0%	-
0.1% increase in the Pension Increase Rate (CPI)	0%	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

34. Financial Instruments

The carrying value of the Group and Bron Afon’s financial assets and liabilities are summarised by category below:

Financial assets

Financial Assets Measured at undiscounted amount receivable	2025		2024	
	Group	Bron Afon	Group	Bron Afon
	£'000	£'000	£'000	£'000
Rent & leaseholder arrears (note 19)	674	674	652	652
Sales ledger debtors (note 19)	82	82	49	49
Cash and cash equivalents (note 29)	11,600	11,594	7,055	7,043
Current asset investments (note 29)	25,624	25,624	15,544	15,544
	37,980	37,974	23,300	23,288

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

34. Financial Instruments (continued)

Financial liabilities

Interest income and expense	2025		2024	
	Group	Bron Afon	Group	Bron Afon
	£'000	£'000	£'000	£'000
Loans payable (notes 21)	62,331	62,331	62,287	62,287
Trade creditors (note 20)	3,403	3,403	1,664	1,664
Rent received in advance (note 20)	1,775	1,775	1,527	1,527
Capital creditors (note 20)	720	720	967	967
	66,445	68,229	66,445	66,445

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

34. Financial Instruments (continued)

The Group and Bron Afon’s income, expense, gains and losses in respect of financial instruments are summarised below:

Interest income and expense	2025		2024	
	Group	Bron Afon	Group	Bron Afon
	£'000	£'000	£'000	£'000
Total interest income for financial assets at undiscounted amount receivable (note 8)	1,222	1,222	917	917
Total interest (expense) for financial liabilities at undiscounted amount payable (note 9)	(3,198)	(3,198)	(3,169)	(3,169)
	(1,976)	(1,976)	(2,252)	(2,252)

Bron Afon

