



Monmouthshire Housing
Tai Sir Fynwy



Monmouthshire Housing Association

Annual Report & Financial Statements

Reporting Year 31 March 2025

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Registered Office

Nant Y Pia House,
Mamhilad Technology Park, Mamhilad,
Monmouthshire, NP4 0JJ

External Auditor

Beever and Struthers Statutory Auditor
One Express, 1 George Leigh Street, Manchester,
M4 5DL

Principal Solicitors

Trowers and Hamlin, 3 Bunhill Row, London,
EC1Y 8YZ

Principal Bankers

Barclays Bank Plc, 57 Frogmore Street,
Abergavenny, NP7 5AT

Welsh Government registration number: L144

Co-operative and Community Benefit Societies Act 2014 number: 30087R

Members, Executives & Advisors

Group Board Membership



Anthony **Deakin**
MHA Group
Chair



Dimitri **Batrouni**
MHA Group
Vice Chair



Colin **Lewis**
Chair of
Operations
Committee,
Group Board
Member



John **Miller**
Group Board
Member &
Vice Chair,
Capsel Board



Cael **Sendell-Price**
Group Board
Member
& Chair of
Audit & Risk
Committee



Lynda **Campbell**
Group Board
Member
& Chair of
Governance
& Remuner-
ation Com-
mittee



Nicola **Tindale**
Group Board
Member &
Chair of De-
velopment



Tim **Jackson**
Group Board
Member
(Appointed
01/10/2024)



Kalwant **Grewal**
Independent
Audit
Committee
Member
(Appointed
01/10/2024)



Ann **Cornelius**
Group Board
Member
(Appointed
01/02/2025)



Julie **Evans**
Group Board
Member
(Appointed
10/02/2025)



Reg **Kilpatrick**
Group Board
Member
(Resigned
31/01/2025)



Mat **Cooling**
Independent
Audit & Risk
Committee
Member
(Resigned
31/05/2024)



Hannah **Vickers**
Independent
Development
Committee
Member
(Resigned
22/10/2024)



Alan **Soper**
Chair of
Audit & Risk
Committee,
Group &
Capsel Board
member
(Resigned
31/10/2024)

Executive Officers



John **Keegan**
Chief
Executive
(resigned
31/08/2025)



Gwyndaf **Tobias**
Acting Chief
Executive



Michele **Morgan**
Director of
Housing &
Communities
and acting
Deputy Chief
Executive



Chris **Kinsey**
Interim Assis-
tant Director
of Property
Services (De-
velopment) &
Interim Man-
aging Director
of Capsel
Limited
(Appointed
03/06/2024)



Julie **Stone**
Director of
Resources
(Appointed
25/11/2024)



Karen **Tarbox**
Director of
Property
Services
(resigned
31/05/2024)



Becky **Oliver**
Interim Assis-
tant Director of
Property Ser-
vices (Assets)
(appointed
03/06/2024)

Our Chairperson's statement



Welcome to this year's annual financial report. This is where we reflect on the past year and share some of our plans for the year ahead.

We know the cost of living has continued to put pressure on our customers' household budgets, so our financial and wellbeing services have had another busy year, supporting many of you to maximise your income.

In fact, their hard work was recognised by winning the Chartered Institute of Housing award for 'Customer Service Excellence', well done we are super proud of you.

MyMHA, our new tenant app has grown in popularity, with over 900 customers signing up and enjoying the flexibility and freedom the app brings; enabling you to pay your rent, report a repair or anti-social behaviour and view your rent account at your leisure.

We are excited to share we are in the early stages of rebranding Monmouthshire Housing, which will mean a name change and ensuring our values and mission statement are fit for the future.

Our customers have lived experience of their homes and communities and have a big part to play in helping us improve our services of today and co-create services for future generations. With this in mind, we have undertaken a review of our Community Voice group to strengthen and implement more accessible ways to have your say whilst working directly with the Board to ensure the tenant voice is heard and at the heart of everything we do.

We are renewing our focus on the sustainability of our homes and services, details of which are outlined in the 'Planet' section. You can also read more on how we're making MHA greener in our Environmental, Social and Governance (ESG) Report on our website.

Finally, a big thank you to our shareholders and tenants for all your support and feedback given on our services throughout the year, this helps us to understand what is working well and where we can continue to improve.

Anthony Deakin
Chair

Strategic Report

Our Values

Our Values underpin our purpose and mission. They reflect who we are and the way we go about our business. **We are proud to be:**



Open

We will act honestly and with integrity and our decisions will be made inclusively and transparently.



Flexible

We will be innovative and proactive and view change as opportunity.



Fair

We are committed to delivering services with an even-hand and ensuring equality of opportunity for everyone.



Achieving

We will set and reach ambitious goals and targets.

Our Objectives

Driving value for money throughout our activities ensures our money goes further and enables us to devote more resources to achieving and exceeding our business objectives, increasing the provision of affordable homes, maintaining existing homes and creating services that our customers value.

For a full breakdown of our objectives for 2024/25, please refer to our [Corporate Plan](#).



Finance & Business Model

MHA continues to hold private placement loan funding from the Pension Protection Fund with **£65m** drawn at the end of the financial year at very competitive fixed rates of interest which were agreed in 2021 when interest levels were at much lower levels than today. We also have continued access to a competitive revolving credit facility with Barclays of **£20m**, which was renewed in May 2025 and extended for a further 5 years, leaving MHA with a continuing solid foundation to meet its future corporate plan ambitions. Alongside this external funding, we expect Welsh Government will continue to provide an annual dowry of **£2.6m** which is vital to the funding of our planned repairs programme and assuring the financial health of the organisation.

The Group will continue to invest in its development programme and a **£7.0m** budget investment has been set aside for the financial year to March 2026. The current business plan strongly highlights the Association's ability to work within its current debt limits and comfortably meet all covenants. The Association's cash flow continues to be strong with a balance of **£26.5m** at the end of the year whilst the cash balance for the Group is slightly higher at **£27.1m**. Our cash balances are fully committed to implement the Group's capital maintenance programme in line with our Asset Management Strategy and do not include undrawn facilities to the value of **£20m**.

The Association continues to stress test its financial robustness by applying both single and multiple variable scenarios to its business forecasting model. A wide variety of scenarios are discussed and agreed with the Board, and the impacts on the business plan are modelled, along with associated mitigation plans; for example, the impact of reduced grant funding; reduced rental income; increased build costs; costs of decarbonising homes and the impact of Welfare reform on the Association's finances.

Performance for the Year

The Association's turnover rose by **7.7%**, increasing from **£26m** to **£28m**, with rental income contributing **£1.3m** of this growth. The average rent increase was **6.7%**, in line with Welsh Government guidelines.

The Association's core profitability for the year was affected by inflationary pressures across the wider economy, higher volumes of completed repairs, and increased depreciation charges from capital programmes. The Group reported an operating surplus of **£5.2m**, down from **£6.6m** in 2024.

Net cash generated from operating activities rose to **£7.6m** (2024: £5.8m) reflecting the surplus made in the year. An actuarial pension gain of **£0.1m** was recognised in the year, compared to a loss of **£1.7m** in the previous year. As a result, Group comprehensive income for the year was **£4.9m**, up from **£4m** in 2024.

Net interest cost reduced to **£0.4m** (2024: £0.7 million). Although the private placement funding was fully drawn in FY24, the Association remains in a strong liquidity position, holding over **£26.5m** in cash and access to a **£20m** revolving credit facility. The average interest rate remained at **2.25%** and **2.3%**, with **100%** of debt held at fixed rates. The Association comfortably met all interest cover and gearing covenants for its bank loans in both 2025 and 2024.

A key financial metric, free cash flow, declined to a deficit of **£3.6m** in 2025 from **£23.2m** in the prior year. This reduction primarily reflects lower loan drawdowns plus higher loan repayments compared to prior year.

Looking ahead, the 2025/26 budget projects a continued strong surplus, enabling the Association to fund its planned maintenance programme from operating cash flows, despite an increasingly challenging environment driven by persistent inflationary pressures.

Value for Money (VFM)

In line with our vision, we are committed to working with partners to deliver sustainable, safe, and high-quality homes, services, employment, and support within our communities, the value of which is reflected in our high levels of tenant satisfaction. However, as the housing sector faces increased costs for building and maintaining sustainable homes, alongside growing demand for tenancy support, we continue to face significant obstacles to operate at optimal levels. Despite the evolving landscape, our strategic plans ensure that every resource is used wisely to benefit both MHA Group and its key stakeholders. Notable examples of these efforts, particularly in assisting tenants and colleagues, are highlighted in our [VFM Statement 2024](#) and [Tenant's Annual Review](#).

In 2025, we are elevating our VFM strategy to the next level by embedding the new Procurement Act requirements. Our focus will be on increasing our understanding and actioning the broader efficiency savings, while introducing a methodology for capturing social value. This approach will allow us to quantify the broader impacts of our initiatives on the community.

For example, we aim to demonstrate the positive societal impacts and intangible benefits of community development projects by improving quality of life, social cohesion, and overall wellbeing. Building new and affordable homes will reduce homelessness, improve health outcomes, and increase economic stability. Our employment and training initiatives will contribute to higher employment rates, increased income levels, improved skills and a boost to the local economy. Additionally, our commitment to environmental sustainability will support national targets, improve energy efficiency in our homes, lower utility costs and reduce waste. This invaluable information empowers us to continue delivery of fair, equitable and sustainable services and homes that meet growing demand and needs.

We will continue to work with a wide range of partners from the local community so that the best possible outcomes are achieved for our residents, making sure we are delivering services equitably and addressing those in greatest need. Service users are at the heart of the decision-making process, from the Community Voice Committee and dedicated service improvement focus groups.

Our Commitment to VFM, is to:

Continue to improve our understanding of our current value for money position

Promote and embed a value for money culture

Optimise the future returns on assets deployed

Direct resources to achieve the right balance between frontline services, maintaining existing assets and providing new homes

Maintain a high level of resident satisfaction with value for money, for example, in relation to rent & service charges.

Understanding that residents are satisfied is a good check to ensure that efficiency is being achieved without adversely affecting services. **Some of the Association's key VFM deliverables can be attested by outputs from the Welsh Government's Social Landlords Tenant Satisfaction survey 2024, including the comparable position against 45 other RSLs across Wales:**

87% of tenants are satisfied that their rent provides Value for Money



90% of tenants are satisfied with the service provided by MHA



84% of tenants are satisfied with their neighbourhood as a place to live



85% of tenants are satisfied with the way MHA deals with repairs and maintenance



Risk

The Board is committed to the management of risk in order to achieve the vision and objectives of MHA and remain a viable and sustainable business.



Full details of MHA's approach to risk are set out in the Risk Management Framework which is reviewed annually.

The risk environment has remained challenging during the past financial year with risk being managed on multiple fronts. The Association has already made great progress in decarbonising existing homes, but challenges remain around the funding of ambitious goals within the sector. This hasn't been made any easier with inflationary pressures which have made services more expensive to provide. Planning constraints in Monmouthshire have led to difficulties in delivering new homes and easing the housing crisis.

Due to recent technological advancements, cyber threats remain an ever-present possibility, as they are for all organisations. The Association continually monitors the integrity of its digital systems to ensure operational continuity and the protection of personal data. Additionally, and against this already challenging backdrop, the Association remains committed to the highest standards of tenant safety with proactive management of hazards such as damp and mould.

Governance

In the Welsh Government's most recent regulatory assessment of MHA Group in November 2024, we were awarded 'Green – compliant' for Financial Viability and our Governance & Tenant Services. [MHA's self-evaluation summary](#) and future improvement actions, accompanying this assessment, can be found on our website.

This year also saw the completion of an externally conducted governance review, which resulted in a positive assessment of current practices. The review provided general improvement recommendations to align future Board skillsets, membership and composition following a skills audit, as well as a review of our Community Voice Group (a community group within the governance structure).

The Future

Our economic vision for 2025/26 is to remain financially sustainable, building on our resilience and further investing in our communities to drive regional growth. We are committed to exploring strategic partnerships and collaborative opportunities that will secure additional income streams to reinvest in our core activities.

This will include focusing on the external policy context, for example:

Ensuring financial viability

Driving efficiency and value for money

Engaging with Welsh Government Grant Reform

Exploring collaboration & partnership working opportunities

Diversifying activities & income streams

The Association has a significant development programme scheduled for the next five years to support our commitment to the Corporate Vision and to strengthen the organisation in a regional context. We seek to transform lives and help people realise their ambitions and we do this by delivering safe, high-quality homes, services and support.

MHA's local rent policy has enabled us to set fair, transparent and affordable rents for all, with 84.9% of tenants saying that MHA's rent setting process was fair taking into account the accommodation and services received.

Over the past year, we've made improvements to how we deliver value for money and will continue by rolling out a new Value for Money Strategy and action plan as well as implementing tools to further capture social value. We are committed to sustainable growth and financial resilience, ensuring we remain a strong and dependable organisation. By investing in our services and championing fair, local procurement, we aim to deliver real value for our tenants and communities.

MHA has ambitious plans to extend the provision of affordable homes in Monmouthshire and in neighbouring local authority areas, including Torfaen and Newport.

We have produced a Corporate Plan which outlines our key objectives for the next five years. We believe this is an important tool in ensuring we can continue to serve our customers, maintain our financial strength, and tackle the economic challenges facing our communities and sector. This approach will also help us to deliver a sustainable, innovative, and community-focused future for the Association.

The Strategic Report was approved by the Board on 16th July 2025 and signed on its behalf by:

Gwyndaf Tobias

Company Secretary

Board Report

People

By championing a culture of inclusivity, diverse talent and healthy living, we will support people to flourish and fulfil their true potential

Developing our staff

We currently have 7 employees undertaking an apprenticeship in various roles across the business.

Our 5-year HR Strategy aims to support our colleagues' personal growth by having a dynamic approach to reskilling existing roles and attracting new talent. Our cyclical Performance Management process provides regular support and feedback for every employee, so they understand how they are contributing to our corporate objectives, and Annual 'Career Conversations' help to identify ambitions whilst supporting and creating opportunities to develop existing skills. This summer we will be holding our first whole Staff Conference since the pandemic. The event aims to build on our excellent organisational culture and focus on key priorities for the coming year.

Our annual Future Leaders programme supports 3 employees each year to develop their leadership skills with a tailored personal development plan, mentoring and project experience.

60 volunteering days were undertaken by MHA staff this year, further supporting the communities we serve with activities such as assisting local charity shops in sorting and decorating new premises.



Supporting staff health and wellbeing

MHA's 'Life & Soul' group supports our People objectives by ensuring the health & wellbeing of our colleagues and communities are a key focus of our activities.

We have 10 employee Mental Health Champions who are trained mental health first aiders to help support any staff who are struggling with their wellbeing.

What else have we achieved

In 2024/25 we ...

Delivered a refresher Management Development Programme for all managers

Provided a number of health and wellbeing events for staff as part of MHA's Life and Soul Group

Held themed quarterly Breakfast meetings, bringing colleagues together to discuss issues, such as Fire Safety

'Better Together' briefings are held regularly to keep our people up to date with important news and provide them with opportunities to ask Senior Management questions

Held an Innovation Week to bring colleagues together to generate ideas for continuous improvement of our services

A diverse and inclusive business

Over the past three years, MHA has significantly advanced its approach to Equality, Diversity, and Inclusion (EDI). This strong foundation allows us to progress to the next stage, enhancing community resilience, healthier environments, and providing affordable, safe homes and high-quality services. Our strategy ensures equitable services and support for colleagues and service users from under-represented groups and those facing social deprivation.

We have achieved several milestones, such as improving website accessibility, maintaining a directory of specialised support agencies, and procuring Language Line to overcome communication barriers. We have also advanced the Deeds Not Words Pledge to tackle racism, introduced new alerts on the housing management system, and added a section in the Tenants Annual Review report. Other initiatives include increasing assessors for Equality Impact Assessments, re-balancing gender representation on the Board, providing targeted training, revising recruitment branding, and improving equality data collection. As a result, satisfaction levels among protected minority groups are comparable to those of other tenants, reflecting the effectiveness of this support.

These efforts demonstrate our ongoing commitment to fostering an inclusive and supportive environment for all community members. In 2025 MHA Group will work alongside service users in developing its next 3-year strategy, supporting growth ambitions and addressing the need for more diverse support.



The new housing sector Welsh Language Standards are currently being consulted on and developed, which aims to support the Wellbeing of Future Generations Act goal of having 1m Welsh Speakers by 2050. MHA will continue to work with the Welsh Language Commissioner and other partners throughout its development. These standards will replace the existing Welsh Language Scheme to which MHA has dedicated efforts over the past 3 years to enhancing its offering. This investment of time and resources will ensure we are well-prepared for the upcoming changes.

MHA's Financial Wellbeing Team provide employability support and training to tenants looking to start their career.

In 2024/25 we ...

Supported **21** people into employment

Supported **38** Volunteers

Helped **101** people complete training for the Cost of Living Confidence Scheme

Tackling hardship

In 2024/25 we ...

Maximised income for tenants by **£1.8m** to **413** households, with advice provided by our money saver experts

Allocated and spent a hardship fund of **£119,783** helping support **1,933** tenants living with the stress and trauma caused by financial hardship

122 tenants received one to one financial wellbeing coaching

24 Tenants achieved the Agored module "know your money" which will give them two Level 3 maths qualifications

Were shortlisted for Debt team of the year in the UK IMA Awards



CASE STUDY...

Customer Service Excellence

Our Financial and Wellbeing Team won 'Customer Service Excellence' Award for the second year running at the Chartered Institute of Housing's Welsh Housing awards.

The awards are created to recognise the outstanding achievements of individuals, organisations and projects that have significantly impacted the Welsh housing sector.

MHA's IMA qualified Financial Inclusion Team were the proud recipients. The small, but innovative team provide financial support and advice to tenants on all money related, employability and energy and utilities related matters. The team constantly seeks ways to improve its service and tap into other opportunities to help tenants maximise their income and make their money go further.

A move to a more holistic tenant-centred approach has been the catalyst to helping tenants address their financial challenges whilst building up their long-term financial resilience.

By using a combination of intensive coaching, practical life skills workshops and ongoing support, the team is empowering tenants to take

control of their own financial future, helping them attain greater independence and ultimately foster stronger more sustainable communities.

Adopting a more holistic approach has been transformative for both the service and tenants' independence, giving them the ability to manage their finances and an increased confidence in handling their financial affairs.

The new personalised approach provides one to one financial coaching and encourages tenants to manage their own finances independently, as well as providing ongoing support to help build sustainable financial habits and reduce the risk of future financial crises.

People on lower incomes continue to feel the acute effects of the rise in cost of living, which is why providing a first class, financial wellbeing service is critical to MHA and a proven lifeline to many of our tenants.

MHA was also awarded £200,000 of Multiply Funding by Welsh Government to further expand the support to include workshops such as cooking on a budget and grow your own garden which helps tenants learn or refine their skills, whilst embedding practical budgeting skills into everyday life.

Tenant involvement

We adopted a 'community connector' approach that links our tenants, partners, and communities. Providing continuous opportunities for community consultation helps us better understand the need on the ground, ensuring the right resources are available to encourage self-reliance, community action and long-term sustainable change.

Community Partnerships

We have continued to work with our volunteer led hubs and now have a total of 10 throughout the county with tenant volunteers actively working within their community to deliver projects and activities that meet their identified priorities.

Community highlights

In 2024/25 we ...

Co-produced **48** events, projects and activities in partnership with our tenants, partners and communities, attracting **1,890** attendees

Awarded **£33,000** to **19** community groups through Pitch for Your Project

Received **£107,500** through External Funding for Community Led Projects

Supported our volunteer led hubs to the value of **£4,320**

101 people completed the Cost of Living Confidence Scheme training (including 8 front line MHA staff)





iConnect project - This offers all-round digital support ranging from getting online, to accessing services and more. The project received £242,456 Levelling Up funding and has demonstrated significant progress and success, supporting 412 participants.



The Community Voice held various workshops in the last 12 months including MHA's Rent Setting process where they worked with MHA to develop a rent setting survey to consult with tenants prior to the setting of rents for 2025/2026.



Housing and Wellbeing Service

Demand for our health and wellbeing service has never been so great. The service provides support to people in housing need or who are at threat of homelessness and is funded by Monmouthshire County Council through the Housing Support Grant.

The team provided support to 87 people across Monmouthshire; 38% were MHA tenants and 94% have been supported to sustain their tenancy.



Support for older residents

Our Community Living Officers have been supporting our older persons' schemes to help tenants feel safe and remain in their own homes. They have also carried out lots of activities to promote wellbeing and reduce isolation. The Team has supported tenants through the digital upgrade of careline alarms process with their presence providing confidence and reassurance to tenants.



Tenancy Coaching

The Tenancy Coaches continue to provide essential support to our most vulnerable and at-risk tenants experiencing issues with managing their properties and tenancies including prioritising rent payments and issues such as hoarding and clutter. The Team supported 69 tenants with property conditions and 35 with wellbeing and welfare concerns.

In 2024/25 we ...

Answered **91%** of calls within 30 seconds

Resolved **85%** of calls at first point of contact

Managed **397** cases through the Community Safety Team

Received **91** Support referrals

Supported **84** people with experience of Domestic Abuse

Held **12** Walk and Talk Events across MHA Communities

Resident Complaints Received

20 Formal complaints

11 Compensation claims

Claims/Complaints responded within target of **90%**

Corporate Sponsorship Scheme

MHA has set aside a corporate fund of £5,000 that is available for Monmouthshire communities and groups to bid for.

Some of the groups supported this year included:

Caldicot Pride

Abergavenny Arts Festival

Places

We are committed to delivering high-quality, safe, and affordable homes with vibrant surroundings, collaborating with partners to create thriving communities

Despite the challenges we face to deliver new affordable homes, we are committed to assisting Welsh Government to deliver on its target of 20,000 new low carbon affordable homes in Wales.

We are passionate about providing high quality, well designed, affordable homes for the communities we serve and to help address the housing and cost of living crisis.

We are working with partners and stakeholders to focus development in areas of need whilst continuing to preserve and enhance the local environment and biodiversity.

Developing and nurturing existing partnerships is important to MHA's growth as we continue to investigate opportunities to extend our areas of operation across a wider geographical area.



In 2024/2025 we ...

Purchased **27** homes from the open market to support those in temporary accommodation or facing homelessness

Delivered **6** new affordable homes in partnership with our subsidiary Capsel

Actively supported the Delivering Net Zero project to create standardised pattern book homes to achieve operational net zero carbon and make a stepped change in embodied carbon emissions

Spent **£0.3m** regenerating Holman House, Caldicot by purchasing the empty ex-Council owned building. The works include converting the upper floor to flats, enhancing environmental measures and significantly improving the exterior of the building including lighting and landscaping

Started building MHA Group's largest housing development to date at Rockfield Farm, Undy, with plans for a total of **120** homes, including **32** for affordable rent.

All our new homes, designed and built by us, will achieve an energy efficiency rating 'EPC' A using low carbon space and water heating solutions and solar PV. We will also consider employing modern methods of construction, where appropriate, and new innovations in pursuit of continuous improvements in safety and speed of delivery. We are committed to reducing construction waste and improving the quality of our homes even further.

To meet the evolving need of our communities we have a range of housing options. At the end of March our properties included 3,854 homes at social rent, 43 intermediate rent properties, 10 supported housing units and 10 market rent homes.

An additional 36 homes were added to our housing stock in 2024/25 reflecting our commitment to offering safe, quality, and affordable housing choices.

	Monmouthshire	Newport	Torfaen	Total
General Needs	2,842	6	12	2,860
Intermediate Rent	43			43
Housing for Older People	994			994
Supported Housing	10			10
Other *market Rent	10			10
Total	3,899	6	12	3,917

Safety Performance

99.97% of homes with an up to date gas safety check

100% of buildings with an up to date compliant Risk Assessment

100% of homes meets the Welsh Housing Quality Standard (with acceptable fails)

In 2024/25 we delivered significant improvements across our housing stock by repairing, maintaining and ensuring the safety of existing homes.

External works programme

We invested **£1.001m** upgrading and maintaining gates, fences, paths, carparks and boundary walls.

We have continued to provide an excellent repairs service ensuring repairs are completed Right First Time and attending **97.58%** of appointments when we say we will.

In 2024/25 we spent a total of £16.6m in our repairs and maintenance programme ...

Planned repairs	£9.9m
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Cyclical repairs	£0.3m
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Responsive repairs	£3m
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Voids repairs	£2.4m
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Compliance	£1.0m
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Welsh Housing Quality Standard 2023

Following the launch of the New Welsh Housing Quality Standard WHQS2023 last year MHA commissioned Savills to carry out a detailed survey programme to identify the work required to bring MHA properties up to the new standard.

Whilst many of the original WHQS requirements remain, the new standard brings together changes in legislation following the introduction of the Renting Homes (Fitness for Human Habitation) Wales Regulations and introduces new challenging environmental measures and targets following a Welsh Government declaration of a climate emergency in 2019. This is a policy that MHA has championed for many years and are proud to have influenced.

The most challenging aspects of WHQS2023 are the targets for improving energy efficiency, reducing fuel poverty and carbon emissions.

Savills has surveyed almost 1,900 of MHA properties which represents almost 50% of our rented stock. Based on the data, they have estimated that delivering the full WHQ2023 standard would cost approximately £180m more than maintaining the existing standard. These figures have been shared with Welsh Government for their consideration, recognising that MHA is exploring collaborative approaches to meet the funding need.

The WHQS2023 target is that all rented properties will achieve a minimum energy SAP rating of 75 (EPC mid band C rating) by 31st January 2030. To achieve this target, it would be necessary to upgrade approximately 1600 properties would require upgrades at an estimated cost of £22M.

Whilst some progress is being made towards this target using the current Welsh Government Optimised Retrofit funding and WHQS implementation grant, considerably more funding will be required to meet the 2030 target.

Prosperity

Investing in growth, we will remain a financially strong and resilient business, championing fair and local procurement

The knock-on impact of rising costs has generated many challenges for tenants and staff alike. It has also put significant pressures on our business budgets. Despite these challenges, we have prioritised support, worked hard with customers to keep rent arrears low, and made savings across the business to remain financially strong. The Income Team demonstrates a strong organisational culture and support service to tenants and as housing benefit shifts to Universal Credit, MHA will continue to prioritise relationship-building over enforcement, to avoid evictions.

Digitalisation of our services

We continue to move forward at pace, modernising our digital landscape, enabling MHA to continue to improve its customer service, which will ultimately benefit both our customers and colleagues.



In 2024/25 we ...

Successfully launched the Tenant App which already has **903** tenants registered to use it. The app gives tenants the flexibility of self-service across a variety of areas, including repairs, rent accounts and reporting anti-social behaviour

Completed the Tenant Voice Review, with **450** tenants feeding in their views of how they would like to be heard by MHA in the development of its services. The outcome of the review will be progressed over the coming 12 months

Rolled out Projects software to enhance our approach to Project Governance and Management, bringing consistency across service areas

Secured a grant of **£18,500** from the Welsh Government to support their research into digital inclusion. This project, called MDLS: Minimum Digital Living Standard, has enabled us to work with two key cohorts of tenants: those transitioning to Universal Credit and tenants in schemes with new digital door entry systems.

Through this initiative, we have supported 40 tenants by providing digital inclusion skills and devices. This has empowered them to access online services, manage and maintain their Universal Credit claims, enhance their wellbeing, and effectively use the new door entry systems

Provided digital training and skills development to **120** colleagues as part of our 365 Winter School, ensuring colleagues continue to be well-supported as we roll-out further enhancements. This is in addition to our annual Innovation Week which focuses on showcasing up and coming projects and technology

Begun to roll-out enhancements to our reporting via Power BI supporting EDI, satisfaction and performance information

Created a service design framework to further support our Customer First work, ensuring service reviews are consistent and tenant-led



Planet

As adaptable stewards of the environment, we will continue to build sustainable and eco-friendly homes, championing ecological resilience and contributing towards national zero carbon targets.

Environmental and Compliance

We recognise climate change is one of the key issues facing us all and, as a developer of new houses and a landlord with more than 3,500 properties, we have a significant part to play.

MHA has a responsibility to all its stakeholders to deliver environmental good practice, energy and waste reduction and assist the Welsh Government to meet its target of net zero carbon emissions in Wales by 2050.

MHA acknowledges that organisations have a legal duty to put in place suitable arrangements to manage health and safety. It is part of the everyday process of running the organisation and an integral part of workplace behaviours and attitudes.

MHA has adopted the sector-wide Sustainability Reporting Standard (SRS) for social housing. This will help us to prioritise and measure our efforts in achieving our long-term sustainability goals, helping MHA to grow whilst maintaining a sustainable business, as well as enabling us to be more transparent and open with our performance, with our stakeholders and customers.

In progressing the management strategy of health and safety, MHA, continues to observe the ISO 45001 model "Managing for Health and Safety". This is an international Health & Safety standard.

In 2024/25 we ...

Maintained ISO 14001 (Environmental) and ISO 45001 (Health & Safety)

Maintained Green Dragon accreditation

Increased the use of local supply chains where possible, helping bring down our construction carbon footprint

Made improvements to our homes, reducing CO2 emissions from lighting, heating, and hot water by over **135 tonnes**, equivalent to the emissions from approximately **70** average homes



Statement of Board Members' Responsibilities

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

Housing Association legislation requires the Board to prepare financial statements for each financial year. Under that legislation the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the Group and Association for that period. In preparing these financial statements, the Board are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained 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 adequate accounting records that are sufficient to show and explain the Group's and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that the financial statements comply with Housing Association legislation, the Co-operative and Community Benefit Societies Act 2014 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 Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to the auditor

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 that they ought to have taken as Board Members in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Statement of Internal Control

1. Introduction

In accordance with the terms of reference and the best practice referred to in the Welsh Government's Housing Association Circular RSL 02/10 Internal Controls and Reporting, the Director of Resources on behalf of the Finance, Audit & Risk Committee presents an annual report to the Board covering the period from 1 April 2024 to 31 March 2025. The purpose of this report is to record an assessment of the adequacy and effectiveness of the Association's system of internal control during this period.

2. Internal Control framework

- In accordance with the Welsh Government's Housing Association Circular RSL 02/10 Internal Controls and Reporting, MHA's Board acknowledges its responsibilities for the Association's system of 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.

3. Strategic leadership & governance

- MHA's Strategic vision and values are reviewed annually to inform the latest Corporate Plan which was approved by the Board in March 2025.
- Ongoing review of new and upcoming legislation takes place to inform policies, processes and decision making.
- Standing orders and financial regulations setting out clearly the system of delegation have been reviewed during 2024/25.
- There are clearly defined corporate and management responsibilities and reporting structures ensuring that experienced and suitably qualified staff take responsibility for important business decisions.
- Board Risk Appetite is clearly communicated to the business.
- MHA has a skills-based Board.
- The MHA Board has set strategic KPIs which continue to be monitored on a regular basis by officers to provide assurance to members in relation to key risk areas.
- One member of the MHA Board sits on the Capsel Board.

4. Internal & External Audit & Assurance

- The Internal Audit Service was re-tendered during 2023 with Mazars appointed for a new term from FY2023/24.
- An established programme of internal audit activities exists which is derived from an assessment of key business risks.
- The Finance, Audit & Risk Committee reviews and monitors reports from management, from the Internal Auditor and from the External Auditor to provide reasonable assurance that control procedures are in place and are being followed.
- Throughout the period 2024/25 a total of 29 recommendations (11 low priority; 18 medium priority) have been raised by the Internal Auditor and have been accepted by MHA.
- Internal Audit recommendations are reported to Finance, Audit & Risk Committee and progress reports provided at each meeting.
- A Health and Safety Management system is in place with updates on Health & Safety at each Finance, Audit & Risk Committee meeting provided by the Head of Facilities.
- MHA has the following external accreditations - ISO 45001 (H&S & Environmental), Green Dragon Level 5 – Environmental
- MHA commissions regular independent stock condition surveys and places heavy reliance on the results to tailor its housing repairs, renewals and upgrade programmes of work.
- There is ongoing compliance with data protection legislation which is also monitored by external consultants.
- A comprehensive Compliance Monitoring Framework is in place which is regularly reviewed by Board & 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.
- IT Disaster Recovery Plans are in place which have been tested during the year by external specialist companies.

- A tenant satisfaction survey was undertaken during the year.
- The latest regulatory opinion published in November 2024 confirmed a standard assessment for governance & financial viability

5. Risk Management Policy & Framework

- MHA has a Risk Management Policy in place which clearly outlines the organisation's approach to risk management and defines roles and responsibilities throughout the organisation.
- The Corporate Risk Map is regularly reviewed by managers and SMT and dashboards presented at each Finance, Audit & Risk Committee. A Corporate Risk Dashboard summarising the main risks and movements in trends is presented and discussed at every Board and Committee meeting. The full Corporate Assurance Map is presented annually, with a copy available in the Reading Room of every Board or Committee meeting.
- The Association continues to maintain or put in place a number of procedures designed to mitigate risks facing the Association. These include specific delegated authorities to managers and staff, insurances, performance management reporting, contract procurement processes and an annual self-certification of risks and how they are controlled by the Senior Management Team.
- A Risk Appetite Statement is in place.

6. Financial Planning & Management including Value for Money (VFM)

- There is a defined business and strategic planning process in place including the preparation of annual budgets, rolling five-year corporate plans, a 30-year financial forecasting model and the production and review of monthly management accounts. These are supported by specific operational/directorate action plans and a process for the monitoring of results against budgets. Appraisal modelling of proposed new developments is undertaken.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation through relevant Committees or the Board.
- A Board approved treasury policy and an annual treasury strategy are in place, which are reported against on a quarterly basis.
- The business plan is stress tested on an annual basis with results presented to Board.
- There is a VFM Policy in place that sits alongside an annual statement & self-assessment publication.
- A Procurement Policy is in place.
- Internal audit assessment that VFM controls are in place for each area of review.
- An Asset and Liability Register is maintained.

7. Fraud Reporting Systems

- The Association aims to prevent fraud and corruption and has in place policies in respect of preventing, detecting and investigating fraud. These include Standing Orders and Financial Regulations; Anti-Fraud, Theft & Bribery Policy; Whistleblowing Policy; Code of Conduct Policy and an Internal Audit programme.
- The Company Secretary maintains the register of detected frauds. There are no frauds to report in the period covered by this report.

8. Adequacy and Effectiveness of the Associations Internal Control System

- The Director of Resources has reviewed the adequacy and effectiveness of the Association's internal control and risk management systems for the period 1 April 2024 to the date the annual accounts for 2024/25 are approved and confirms that they are operating effectively.
- The Board Report, Statement of Board Members' Responsibilities and the Statement of Internal Control were approved by the Board on 12 May 2025.

Julie Stone - Director of Resources

Independent Auditor's Report To The Members Of Monmouthshire Housing Association Limited

Opinion

We have audited the financial statements of Monmouthshire Housing Association Limited (the 'Association') and its subsidiary (the 'Group') for the year ended 31 March 2025 which comprise the Consolidated and Association Statement of Comprehensive Income, the Consolidated and Association Statement of Financial Position, the Consolidated and Association Statement of Changes in Equity and Reserves, the Consolidated and Association Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2025 and of the Group's and Association's income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual 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 we do not express any form of assurance conclusion thereon.

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:

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

Opinion on other matters prescribed by the housing association circular RSL 02/10: Internal Controls and Reporting

With respect to the Board's Statement of internal control on pages 23 – 25, in our opinion:

- The Board has provided the disclosures required by the housing association circular RSL 02/10: Internal Controls and Reporting; and
- The Board's statement is not inconsistent with the information of which we are aware from our audit work on the financial statements.

Responsibilities of the Board

As explained more fully in the Statement of Board Members' Responsibilities set out on page 22, 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's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or the Association or to cease operations, or has 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 web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

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

- We obtained an understanding of laws, regulations and guidance that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of

Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015, Renting Homes (Wales) Act 2016, tax legislation, health and safety legislation, and employment legislation.

- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed the controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we

have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Association's members as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association'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.

Beever and Struthers
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2025

	Notes	Group		Association	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Turnover	3	29,976	26,341	28,011	26,011
Operating expenditure	3	(26,945)	(21,210)	(25,066)	(21,087)
Gain on disposal of PPE	4	<u>2,207</u>	<u>1,427</u>	<u>2,181</u>	<u>1,409</u>
Operating surplus		5,238	6,558	5,126	6,333
Interest receivable	5	1,244	459	1,420	658
Interest and financing costs	6	(1,638)	(1,184)	(1,638)	(1,184)
Fair value movement	12	(14)	(80)	(14)	(80)
Dividends received		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Surplus before tax	7	4,830	5,753	4,894	5,727
Taxation	10	<u>(17)</u>	<u>(49)</u>	<u>(11)</u>	<u>(41)</u>
Surplus for the year		4,813	5,704	4,883	5,686
Other comprehensive income:					
Actuarial gain/(loss) in respect of pension schemes	19	112	(1,685)	112	(1,685)
Deferred Tax	10	<u>16</u>	<u>15</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>4,941</u>	<u>4,034</u>	<u>4,995</u>	<u>4,001</u>

There were no recognised gains or losses in either the current or prior year except those reported in the Statement of Comprehensive Income. The notes on pages 37 - 77 form part of these financial statements.

The financial statements on pages 30 - 77 were approved and authorised for issue by the Board on 16th July 2025 and were signed on its behalf by:

Signed

Tony Deakin
Chair

.....

Dimitri Batrouni
Vice Chair

.....

Gwynnaf Tobias
Company Secretary

Statement of Financial Position

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2025

Registered number: 30087R

		Group		Association	
	Notes	2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Intangible fixed assets	11	20	39	20	39
Housing properties	12	155,612	139,935	153,953	138,087
LCHO Properties	12	-	-	-	-
Homebuy loans receivable	12	4,534	4,287	4,534	4,287
Investment properties	12	1,998	1,435	1,998	1,435
Other property, plant and equipment	13	3,709	3,755	3,703	3,749
Non Current Assets		165,873	149,451	164,208	147,597
Current assets					
Inventories	14	2,917	3,206	84	98
Debtors	15	6,810	5,428	11,729	10,472
Cash and cash equivalents		27,113	32,784	26,454	32,201
		36,840	41,418	38,267	42,771
Current Liabilities					
Creditors: amounts falling due within 1 year	16	(9,103)	(7,525)	(9,007)	(7,220)
Net current assets		27,737	33,893	29,260	35,551
Total assets less net current assets		193,610	183,344	193,468	183,148
Non-current liabilities					
Creditors: amount falling due after 1 year	17	(140,808)	(135,360)	(140,808)	(135,360)
LGPS Asset	19	-	-	-	-
SHPS Liability	19	(166)	(289)	(166)	(289)
Net assets		52,636	47,695	52,494	47,499
Capital and Reserves					
Share capital	20	-	-	-	-
Pension Reserve		(166)	(289)	(166)	(289)
Revenue Reserve		52,802	47,984	52,660	47,788
Total Reserves		52,636	47,695	52,494	47,499

The notes on pages 37 - 77 form part of these financial statements. The financial statements of Monmouthshire Housing Association Limited on 30 - 77 were approved and authorised for issue by the Board on 16th July 2025 and signed on its behalf by:

Signed

Tony Deakin
Chair

.....

Dimitri Batrouni
Vice Chair

.....

Gwyndaf Tobias
Company Secretary

Statement of Changes in Equity & Reserves

STATEMENT OF CHANGES IN EQUITY AND RESERVES

For the year ended 31st March 2025

	Group			Association		
	Called up share capital	Revenue Reserve (including pension reserve)	Total	Called up share capital	Revenue Reserve (including pension reserve)	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	-	43,661	43,661	-	43,498	43,498
Surplus for the year	-	5,704	5,704	-	5,686	5,686
Actuarial loss in respect of pension schemes	-	(1,685)	(1,685)	-	(1,685)	(1,685)
Deferred Tax	-	15	15	-	-	-
As at 31 March 2024	-	47,695	47,695	-	47,499	47,499
Surplus for the year	-	4,813	4,813	-	4,883	4,883
Actuarial gain in respect of pension schemes	-	112	112	-	112	112
Deferred Tax	-	16	16	-	-	-
As at 31 March 2025	-	52,636	52,636	-	52,494	52,494

The revenue reserve represents the accumulated surplus of the Group and Association.

The notes on pages 37 - 77 form part of these financial statements.

Statement of Cash flows

STATEMENT OF CASH FLOWS

For the year ended 31st March 2025

	Notes	Group		Association	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Net cash generated from operating activities	21	7,639	5,840	7,460	5,710
Cash flows from investing activities					
Purchase of property, plant and equipment		(22,677)	(19,405)	(22,663)	(19,477)
Proceeds from sale of property, plant and equipment		2,006	1,432	1,979	1,414
Grants received		11,645	12,034	11,645	12,034
Interest received		1,155	301	1,271	500
Net cash flows from investing activities		(7,871)	(5,638)	(7,768)	(5,529)
Cash flows from financing activities					
New loans		4,970	22,120	4,970	22,120
Interest paid		(1,462)	(1,124)	(1,462)	(1,124)
Repayment of loans		(8,947)	-	(8,947)	-
Net cash flows from financing activities		(5,439)	20,996	(5,439)	20,996
Net (decrease)/increase in Cash and Cash Equivalents		(5,671)	21,198	(5,747)	21,177
Cash and cash equivalents at beginning of the year		32,784	11,586	32,201	11,024
Cash and cash equivalents at end of the year		27,113	32,784	26,454	32,201

The notes on pages 37 - 77 form part of these financial statements.

Statement of Cash flow

STATEMENT OF CASH FLOW

Free cash flow for the reporting year ended 31 March 2025

		Group		Association	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
	Note				
Net cash generated from operating activities	21	7,639	5,840	7,460	5,710
Interest paid		(1,462)	(1,124)	(1,462)	(1,124)
Interest received		1,155	301	1,271	500
Adjustments for reinvestment in existing properties					
Component replacements		(9,574)	(6,505)	(9,574)	(6,505)
Purchase of other replacement fixed assets		(4)	(7)	-	-
Dowry grant received		2,600	2,600	2,600	2,600
Free cash generated before financing activity		354	1,105	295	1,181
Loan drawdowns		4,970	22,120	4,970	22,120
Loans repaid		(8,947)	-	(8,947)	-
Free cash generated after financing activity		(3,623)	23,225	(3,682)	23,301

Notes to the Financial Statement

1. Registration of the Association

Monmouthshire Housing Association Limited (the 'Association') is a registered society under the Co-operative and Community Benefit Societies Act 2014, incorporated and domiciled in England and Wales. The address of the registered office is Nant Y Pia House, Mamhilad Technology Park, Mamhilad, Pontypool, Monmouthshire, NP4 OJJ.

The main activities of the Association and its subsidiary is the provision of affordable homes for rent for people in housing need.

2. Principal Accounting policies and Basis of Accounting

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

The financial statements are presented in pounds sterling and, unless otherwise noted, amounts are rounded to the nearest £1,000.

Basis of Consolidation

The Group financial statements consolidate the financial statements of the Association and its subsidiary undertaking drawn up to 31 March each year. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Board Report. The Group has in place long-term debt facilities, which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group also has a long-term business plan, which shows that it can service these debt facilities whilst continuing to comply with lenders' covenants. The Board has also considered the impact on the parent of recoverability of the intercompany debtor and the value of WIP. Expected sales proceeds, and market demand post year end, have remained in line with business plan assumptions and scheme appraisals. On this basis, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Property, plant and equipment – housing properties

Housing properties, held at cost less depreciation, were transferred from Monmouthshire County Council at no cost and were subject to a nil valuation based on an independent report using the basis of existing use value for social housing.

Housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings and directly attributable development costs.

Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Depreciation is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their useful economic lives. Freehold land is not depreciated.

	Houses	Flats
New build	150 years	110 years
Purchased	100 years	80 years

Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates:

Structure	80 – 150 years
Roofs	50 Years
Doors and Windows	30 Years
Kitchens	15 Years
Bathrooms	25 Years
Heating Systems	15 Years
Other works	20 Years
Photovoltaic panels	22 Years

Properties held on long leases are depreciated over their estimated useful economic lives or the lease duration if shorter.

Improvements

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

Leaseholders

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

Non-housing property, plant and equipment

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

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

Other fixed assets

Head Office (building and furniture)	5 – 100 Years
Computer equipment	3 – 10 Years

Intangible assets

Software purchased and developed, or developed in house, is an intangible asset. Cost is measured initially at acquisition cost or costs incurred to develop the asset. Development expenditure incurred on an individual project is capitalised only if specific criteria are met including that the asset created will probably generate future economic benefits. These assets will be amortised over 3 - 5 years.

Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and it is included in surplus or deficit in the Statement of Comprehensive Income.

Grant Funding

Where grants are received from government agencies such as the Welsh Government, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Dowry

The Association received financial assistance from the Welsh Government to support the achievement of the Welsh Housing Quality Standard (WHQS). To meet the requirements of WHQS, the Association has been replacing components of the housing stock. The Grant is accounted for using the accrual method, whereby, the Grant is amortised over the expected useful economic life of the components. There is no requirement to repay this grant when disposal occurs.

Social Housing Grant and other Government Grants

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support, with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

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.

Grants received from non-government sources are recognised as revenue using the performance model.

Housing Finance Grant

The Welsh Government Housing Finance Grants (HFG) provide annual housing grant payments in equal instalments over a period of up to 30 years to fund loan principal and interest costs of constructing affordable housing. The net present value of future grant receipts is recognised as a capital grant with an equal amount recognised as a deferred income debtor. The debtor is credited upon receipt of each grant payment and the difference between grant payments and the discounted value of the relevant portion of the debtor released to the Statement of Comprehensive Income as a contribution towards the financing cost of that scheme. The discount rate used for the net present value calculations is the same rate that applies to the associated borrowing to fund the housing assets.

Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Operating leased assets

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

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

Properties for outright sale

Properties developed for outright sale and land held for sale are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes materials, direct labour and an attributable proportion of overheads based on normal levels of activity.

Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

Community benefit loans

Community benefit loans represent Land for Housing loans in connection with the acquisition of land for development and are held by the Association's legal advisers until legal conveyancing has completed. They are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the loan will be received.

Community benefit loans are initially recognised at the amount paid to the Association's legal advisers and reviewed annually for impairment.

Taxation

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.

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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date that are expected to apply to the reversal of the timing difference.

Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

VAT

The Association is registered for VAT and operated a VAT shelter for its programme of planned works which ended 31st March 2024.

A large proportion of its income, including rents, is exempt from VAT. Most of its expenditure is subject to VAT which cannot be reclaimed, and expenditure is therefore shown inclusive of VAT. Any VAT recovered under partial exemption rules is credited to the Statement of Comprehensive Income.

Pensions

Local Government Pension Scheme and Social Housing Pension Scheme

The Group participates in both local government and social housing pension schemes which are multi-employer schemes where it is possible for individual employers, as admitted bodies, to identify their share of the assets and liabilities of the pension scheme. For these schemes, the amounts charged to operating surplus are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to revenue and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded with the assets of the scheme, held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date.

Turnover

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) and disposal proceeds of current assets, such as properties developed for outright sale at completion, together with revenue grants from local authorities and the Welsh Government and charitable fees and donations. Rental income is recognised when the property is available for let, net of voids. Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Other income is recognised once the work has been undertaken, this also applies to the recognition of the intercompany income. Revenue from services is recognised on completion of the service when the Association becomes entitled to payment. Revenue from photovoltaic panels is recognised on the basis of the feed-in-tariff receivable for the period.

Financial assets carried at amortised cost

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

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

Financial liabilities carried at amortised cost

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

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

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

Inventories

Stocks of materials are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in Statement of Comprehensive Income.

HomeBuy Loans

The Group operates this scheme by lending a percentage of the cost to home purchasers, secured on the property. The loans are interest free and repayable only on the sale of the property. On a sale, the fixed percentage of the proceeds is repaid. The loans are financed by an equal amount of social housing grant (SHG). On redemption:

- The SHG is recycled,
- The SHG is written off, if a loss occurs,
- The Group keeps any surplus.

Homebuy loans are treated as concessionary loans and are initially recognised at the amount paid to the purchaser and reviewed annually for impairment. The associated Homebuy grant is recognised as deferred income until the loan is redeemed.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on-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.

Cash and cash equivalents also include amounts held by solicitors.

Provisions

Provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. There are no provisions held for the year end 31 March 2025.

Key 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. Any estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to accounting estimates would be recognised in the period in which the estimate is revised and in any future periods affected. Detailed below are the key management judgements and estimates management has made within the financial year.

Judgements:

Impairment of social housing properties

The Group is required 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. The Group carries out an impairment review, assessing the Useful Economic Lives of properties and their future value to the Group, taking into account the current level of demand for properties, the level of void losses, projected discounted cash flows and the ongoing investment in property maintenance and improvement. There are no other indicators of impairment present in our housing stock or other fixed assets at 31 March 2025.

Valuation of work in progress

Work in progress (WIP) relates to the construction of new-build dwellings for sale, valued at the lower of cost or net realisable value. Management has reviewed the situation and do not believe that WIP needs to be impaired, as all recent market intelligence and Board updates show that there is no significant detriment to the sales environment by August 2025.

Estimates:

Fair value measurement

Management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management base the assumptions on observable data as far as possible but this is not always available. In these cases, management uses the best information available. Estimated fair values may vary from the actual process that would be achievable in an arm's length transaction at the reporting date.

Investment properties were valued as at 31 March 2025 by professional qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Standards.

Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

FRS 102 requires that defined benefit plan surpluses are recognised only to the extent that they are recoverable either through reduced contributions in the future or through refunds from the plan. The accounting valuation of the Greater Gwent (Torfaen) Pension Fund at 31 March 2025 identified an accounting surplus of £16,031m.

The scheme's actuary has confirmed that they can demonstrate no economic benefit arising to MHA from an 'asset ceiling' calculation comparing the present value of future service costs to the present value of future contributions.

Accordingly, MHA has not recognised the pension asset position, restricting the surplus to £nil, and reducing actuarial gains by the same amount.

3. Particulars of turnover, operating costs and operating surplus

Group

	Turnover	2025 Operating Costs £'000	Operating Surplus/ (Deficit) £'000	Turnover £'000	2024 Operating Costs £'000	Operating Surplus/ (Deficit) £'000
Social Housing lettings (Note 3a)	27,659	(25,042)	2,617	25,805	(20,931)	4,874
Other Social Housing Activities						
Building services external income	31	(64)	(33)	34	(41)	(7)
Other income	47	-	47	-	-	-
Non Social Housing activities:						
Property development and sales	1,690	(1,681)	9	2	(66)	(64)
Estate agency services	14	(114)	(100)	2	(140)	(138)
Photovoltaic panels	459	(42)	417	447	(32)	415
Commercial Rents	54	(2)	52	51	-	51
Other income	22	-	22	-	-	-
Total	29,976	(26,945)	3,031	26,341	(21,210)	5,131

Association

	2025			2024		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing lettings (Note 3b)	27,659	(24,844)	2,815	25,911	(20,913)	4,998
Other Social Housing Activities						
Building services external income	223	(64)	159	44	(41)	3
Other income	48	-	48			
Non Social Housing activities:						
Property development and sales	27	(156)	(129)	5	(133)	(128)
Commercial Rents	54	(2)	52	51	-	51
Total	28,011	(25,066)	2,945	26,011	(21,087)	4,924

3a. Particulars of income and expenditure from social housing lettings – Group

	General Needs £'000	Supported Housing £'000	2025 Total £'000	2024 Total £'000
Income				
Rents receivable	23,253	-	23,253	21,974
Service charge income	602	-	602	640
Income for support services	-	145	145	106
Amortised government grants	2,696	-	2,696	2,453
Leaseholders' income	101	-	101	91
Other income	862	-	862	541
Turnover from social housing lettings	27,514	145	27,659	25,805
Cost				
Management costs	(4,259)	(426)	(4,685)	(4,497)
Service charge costs	(1,335)	-	(1,335)	(1,375)
Routine maintenance	(10,220)	-	(10,220)	(8,775)
Major repairs expenditure	(1,593)	-	(1,593)	(567)
Bad Debts	(38)	--	(38)	(19)
Depreciation of housing properties	(6,374)	-	(6,374)	(5,431)
Other costs	(797)	-	(797)	(267)
Operating costs on social housing lettings	(24,616)	(426)	(25,042)	(20,931)
Operating surplus/(deficit) on social housing lettings	2,898	(281)	2,617	4,874
Rent loss due to voids			184	180

3b. Particulars of income and expenditure from social housing lettings – Association

	General Needs £'000	Supported Housing £'000	2025 Total £'000	2024 Total £'000
Income				
Rents receivable	23,253	-	23,253	21,974
Service charge income	602	-	602	640
Income for support services	-	145	145	106
Amortised government grants	2,696	-	2,696	2,453
Leaseholders' income	101	-	101	90
Other income	862	-	862	648
Turnover from social housing lettings	27,514	145	27,659	25,911
Cost				
Management costs	(4,259)	(426)	(4,685)	(4,497)
Service charge costs	(1,335)	-	(1,335)	(1,375)
Routine maintenance	(10,220)	-	(10,220)	(8,725)
Major repairs expenditure	(1,593)	-	(1,593)	(567)
Bad Debts	(38)	-	(38)	(19)
Depreciation of housing properties	(6,174)	-	(6,174)	(5,312)
Other costs	(799)	-	(799)	(418)
Operating costs on social housing lettings	(24,418)	(426)	(24,844)	(20,913)
Operating surplus/(deficit) on social housing lettings	3,096	(281)	2,815	4,998
Rent loss due to voids			184	180

4. Surplus on disposal of property, plant and equipment

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Housing properties – proceeds	1,769	835	1,769	835
Housing properties - cost of sales	(103)	(101)	(129)	(110)
LCHO proceeds	805	1,122	805	1,122
LCHO cost of sales	(264)	(429)	(264)	(438)
Total	2,207	1,427	2,181	1,409

During the year MHA disposed of 13 (2024: 5) properties under the Association's asset management strategy, as they were uneconomical to repair and met the criteria for disposal.

5. Interest receivable

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank interest receivable	1,027	301	1,027	301
HFG interest receivable	90	92	90	92
Other interest receivable	127	-	303	199
Net interest cost on DB pensions	19	66	-	66
Total	1,244	459	1,420	658

Other interest receivable includes money received from Capsel in relation to the Photovoltaic panel lease.

6. Interest and financing costs

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Interest payable	(1,462)	(1,184)	(1,462)	(1,184)
Net interest cost on DB pensions 19	(14)	-	(14)	-
Bank interest	(162)	-	(162)	-
Total	(1,638)	(1,184)	(1,638)	(1,184)

7. Surplus for the year

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Surplus stated after charging / (crediting):				
Depreciation - housing properties	6,374	5,431	6,174	5,312
Depreciation – other	50	58	46	51
Amortisation - intangible assets	19	19	19	19
Amortised government grant	(2,696)	(2,453)	(2,696)	(2,453)
Gain on disposal of fixed assets	(2,207)	(1,427)	(2,181)	(1,409)
Auditor's remuneration (excluding VAT)				
Audit of the financial statements of the Association	27	22	27	22
Audit of the financial statements of the Subsidiary	7	6	7	6
Other Services	1	1	1	1
	35	29	35	29
Operating lease rentals	41	29	37	27

8. Employee Information

	Group		Association	
	2025 No.	2024 No.	2025 No.	2024 No.
Average number of employees	250	259	244	251
Actual number of employees employed at 31 March	<u>251</u>	<u>258</u>	<u>244</u>	<u>250</u>
FTEs - 37 hours / week				
Direct labour organisation including admin	75	69	75	69
Head office staff	143	151	137	144
Total	<u>218</u>	<u>220</u>	<u>212</u>	<u>213</u>

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Wages and salaries	7,815	7,443	7,639	7,157
Social security costs	729	674	708	656
Pension costs	1,096	1,208	1,091	1,203
Total	<u>9,640</u>	<u>9,325</u>	<u>9,438</u>	<u>9,016</u>

9. Key Management Personnel

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Wages and salaries	642	495	626	465
Social security costs	70	53	70	53
Other pension costs	94	70	94	70
Total	<u>806</u>	<u>618</u>	<u>790</u>	<u>588</u>

Key management personnel are defined as the Chief Executive and any other person who is a member of the executive management team and the Board.

9. Key Management Personnel (continued)

Board members are remunerated and receive a salary based on their roles and responsibilities. Total remuneration of £55.1k was paid to MHA group non-employee members of the Board during the year (2024: £68.8k).

For a full calendar year, the Chair of the Board is paid £9.5k, Vice Chair £6.9k, other Chairs £5.8k, Board members £4.2k and co-opted members £2.7k. For Capsel the Chair is paid £6.9k, Vice Chair £5.8k and members £4.2k. The total remuneration paid to key management personnel during this year was £806k (2024: £618k).

	2025 £'000	2024 £'000
Remuneration of the highest paid director (excluding pension contributions)	146	140

The Chief Executive is an ordinary member of the pension scheme. No additional contributions to any pension schemes have been made and there were no special or enhanced terms which applied. The employer's contribution to the pension scheme on behalf of the Chief Executive in the year was £24k (2024: £23k).

The number of key management personnel who received emoluments (including pension contributions) in the following range was:

Salary Band (£)	Group		Association	
	2025 No.	2024 No.	2025 No.	2024 No.
50,000 - 59,999	-	-	-	-
60,000 - 69,999	-	-	-	-
70,000 - 79,999	-	-	-	-
80,000 - 89,999	1	-	1	-
90,000 - 99,999	1	-	1	-
100,000 - 109,999	-	1	-	1
110,000 - 119,999	1	2	1	2
120,000 - 129,999	-	-	-	-
130,000 - 139,999	-	-	-	-
140,000 - 149,999	1	-	1	-
150,000 - 159,999	-	-	-	-
160,000 – 169,999	1	1	1	1
Total	5	4	5	4

10. Tax on surplus on ordinary activities

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Current Tax				
UK corporation tax on surplus for the year	32	26	26	15
Adjustments in respect of prior years	(15)	23	(15)	26
Total Current Tax	17	49	11	41

The standard rate of tax applied to the reported surplus is 25% (2024: 25%).

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the surplus is as follows:

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Overall Surplus/(deficit) before tax	4,830	5,753	4,894	5,727
Surplus/(deficit) on taxable activities before tax	129	94	129	59
Profit multiplied by tax rate:				
UK corporation tax charge	32	23	32	15
Expenses not tax deductible	-	3	-	-
Capital allowances in excess of depreciation:	-	-	-	-
Group relief	(6)	-	(6)	-
Utilisation of tax losses	-	-	-	-
Adjustment to tax in respect of prior periods	(9)	23	(15)	26
Current tax charge for the year	17	49	11	41
Deferred tax				
Deferred tax charge to OCI	16	15	-	-

11. Intangible fixed assets

Intangible fixed assets include software purchased and developed inhouse. Cost is measured initially at acquisition cost or costs incurred to develop the asset.

	Group 2025 £'000	Association 2025 £'000
Cost		
As at 1 April 2024	486	482
Additions	-	-
Disposals	(5)	-
As at 31 March 2025	<u>481</u>	<u>482</u>
Amortisation		
As at 1 April 2024	447	443
Charged	19	19
Eliminated on disposal	(5)	-
As at 31 March 2025	<u>461</u>	<u>462</u>
Net book value		
As at 31 March 2025	<u>20</u>	<u>20</u>
As at 31 March 2024	<u>39</u>	<u>39</u>

12. Tangible Fixed Assets – Housing Properties (Group)

	Group		
	Completed Properties £'000	Under Construction £'000	Total £'000
Cost			
At 1 April 2024	160,696	28,580	189,276
Schemes completed in the year	18,475	(18,475)	-
Additions			
New developments	-	13,376	13,376
Component additions	9,574	-	9,574
Aborted development written off	-	(252)	(252)
Disposals	(1,937)	-	(1,937)
In-year transfer	-	(595)	(595)
As at 31 March 2025	186,808	22,634	209,442
Depreciation			
At 1 April 2024	(49,341)	-	(49,341)
Charge for the year	(6,374)	-	(6,374)
Eliminated on disposal	1,885	-	1,885
As at 31 March 2025	(53,830)	-	(53,830)
Net Book Value			
As at 31 March 2025	132,978	22,634	155,612
As at 31 March 2024	111,355	28,580	139,935

12. Tangible fixed assets – Housing Properties (Association)

	Association		
	Completed Properties £'000	Under Construction £'000	Total £'000
Cost			
At 1 April 2024	157,178	28,841	186,019
Schemes completed in the year	18,475	(18,475)	-
Additions			
New developments	-	13,365	13,365
Component additions	9,574	-	9,574
Aborted development written off	-	(252)	(252)
Disposals	(1,937)	-	(1,937)
In-year transfer	-	(595)	(595)
As at 31 March 2025	183,290	22,884	206,174
Depreciation			
At 1 April 2024	(47,932)	-	(47,932)
Charge for the year	(6,174)	-	(6,174)
Eliminated on disposal	1,885	-	1,885
As at 31 March 2025	(52,221)	-	(52,221)
Net Book Value			
As at 31 March 2025	131,069	22,884	153,953
As at 31 March 2024	109,246	28,841	138,087

Freehold land and buildings with a carrying value of £20.7m (2024: £20.2m) are pledged as security. Those measured at an Existing Use Value – Social Housing valuation, currently total £25.8m (2024: £25.8m) which both include market rent properties (note 12a), have been pledged to secure undrawn revolving credit facilities for the Association. Long term loans secured in 2020-21 against housing assets are valued on a MV-STT basis and are currently valued at £81.2m (2024: £81.2m). Under its current lending facilities, the Association is not permitted to pledge these assets as security for other borrowings or sell them to another entity. In total, 2,246 properties are uncharged whereas the remaining 1,684 properties are charged.

Work to existing properties includes costs charged by contractors, external consultants, and related in-house supervision and administration costs which have been capitalised. The Association capitalised £1.64m of component replacement work undertaken by the Association's Building Services department (2024: £1.11m). This represents the element of the Group and Association's planned replacement programme which is undertaken by the Association's workforce. The balance of the programme is undertaken by contractors.

12. Tangible fixed assets – Housing Properties (Association) (continued)

	2025 £'000	2024 £'000
Analysis of work to existing properties:		
Capitalised replacement of components	9,574	6,505
Charge to Statement of Comprehensive Income	1,593	567

12a. Investment Properties

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
At 1 April 2024	1,435	1,515	1,435	1,515
In-year transfer	595	-	595	-
Movement in fair value	(32)	(80)	(32)	(80)
At 31 March 2025	1,998	1,435	1,998	1,435

At 31 March 2025, 10 properties remain as market rent valued at £1.458m (2024: 10 properties valued at £1.435m). These properties were valued on the basis of MV-STT by an independent valuer with a recognised and professional qualification in March 2025.

MHA has 5 commercial units, and these have been valued at 31st March 2025 by an independent valuer with a recognised and professional qualification. We have recognised a fair value movement of £55k in relation to these commercial units since purchase.

12b. Low Cost Home Ownership

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cost as at 1 April 2024	-	432	-	432
Additions during the year	259	-	259	-
Disposals during the year	(259)	(432)	(259)	(432)
As at 31 March 2025	-	-	-	-

The LCHO balances do not form part of the figures in note 12 above.

12c. Home buy Loans Receivable

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At 1 April 2024	4,287	3,782	4,287	3,782
Loans issued in year	377	505	377	505
Loans redeemed during the year	(130)	-	(130)	-
At 31 March 2025	4,534	4,287	4,534	4,287

Home buy loans receivable represent the initial value of MHA's remaining equity share in properties funded under the equity share LCHO Schemes.

13. Property, Plant and equipment – other

	Group			Association		
	Freehold property £'000	Fixtures and Fittings £'000	Total £'000	Freehold property £'000	Fixtures and Fittings £'000	Total £'000
Cost						
At 1 April 2024	4,492	771	5,263	4,492	714	5,206
Additions	-	4	4	-	-	-
Eliminated on disposal	-	-	-	-	-	-
As at 31 March 2025	4,492	775	5,267	4,492	714	5,206
Depreciation						
At 1 April 2024	(747)	(761)	(1,508)	(747)	(710)	(1,457)
Charge for the year	(42)	(8)	(50)	(42)	(4)	(46)
Eliminated on disposal	-	-	-	-	-	-
As at 31 March 2025	(789)	(769)	(1,558)	(789)	(714)	(1,503)
Net Book Value						
As at 31 March 2025	3,703	6	3,709	3,703	-	3,703
As at 31 March 2024	3,745	10	3,755	3,745	4	3,749

14. Inventories

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Raw materials and consumables	84	98	84	98
Work in progress	2,833	3,108	-	-
Total	2,917	3,206	84	98

Inventories are valued at the lower of cost or net realisable value.

15. Debtors

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Rent arrears (gross)	941	1,350	941	1,350
Provision for bad debts	(289)	(339)	(289)	(339)
Net rental debtors	652	1,011	652	1,011
Intercompany debtor	-	-	51	61
Finance lease (inter co debtor)	-	-	193	187
Other debtors	2,332	315	2,163	117
HMRC - VAT Refund	-	352	-	330
Prepayments and accrued income	937	785	858	719
Housing Finance Grant	93	91	93	91
Overdraft (other inter co debtor)	-	-	150	-
Total	4,014	2,554	4,160	2,516

The following debtors are due after more than one year:

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Housing Finance Grant	2,728	2,822	2,728	2,822
Finance lease - intercompany debtor	-	-	1,841	2,034
Other intercompany debtor	-	-	3,000	3,100
Deferred Tax Debtor	68	52	-	-
Total falling due after more than one year	2,796	2,874	7,569	7,956
Total debtors	6,810	5,428	11,729	10,472

The finance lease debtor is with Capsel for PV panels. See note 26 for further details

16. Creditors – Amounts falling due within one year

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Rents in advance	713	347	713	347
Deferred rental income	410	-	410	-
Other creditors	1,136	1,732	972	1,404
Accrued interest	247	256	247	256
Accruals	2,851	743	2,736	641
Grants in advance	156	1,695	156	1,695
Government grants (Note 17a)	2,697	2,453	2,697	2,453
Community benefit loan	800	-	800	-
Retentions	20	61	20	61
Tax and social security	58	226	42	213
Pensions	15	12	15	12
Intercompany creditor	-	-	199	138
Total	9,103	7,525	9,007	7,220

17. Creditors – Amounts falling due after more than one year

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Housing loans	64,697	64,697	64,697	64,697
Welsh Government dowry grant (Note 17a)	22,150	21,915	22,150	21,915
Social Housing grant (Note 17a)	38,366	32,513	38,366	32,513
Housing Finance Grant (Note 17a)	2,428	2,544	2,428	2,544
Community benefit loan	8,315	12,930	8,315	12,930
Other government grants (Note 17a)	4,852	761	4,852	761
	140,808	135,360	140,808	135,360

The housing loans are secured on the Association's freehold properties. In 2021 MHA refinanced its housing loan portfolio and interest is now payable at 2.25% and 2.3% (2024: 2.25% and 2.3%).

Community benefit loans are secured on the Association's freehold properties. Interest is payable at a rate of 1% above European Commission base rate in respect of the proportion of loan relating to open market housing. Otherwise, no interest is payable in respect of affordable units developed. The maximum term of the loan is for 5 years.

17. Creditors – Amounts falling due after more than one year (continued)

Analysis of debt repayments:	Group		Association	
Housing loans	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Due within:				
Between one and two years	800	-	800	-
Between two and five years	8,315	12,930	8,315	12,930
In five years or more	64,697	64,697	64,697	64,697
	73,812	77,627	73,812	77,627

MHA refinanced its housing loans in 2020/21 with a 40-year private placement. £50m was drawn in February 2021, with a further £15m drawn down in January 2024. The interest rate is fixed for the duration of the loan at 2.25% on the first tranche £50m and 2.3% on the second tranche. The Association also has undrawn revolving credit facilities of £20m (2024: £20m). All loans are secured against the Association's housing assets at either MV-STT or EUV-SH valuations. Under its current lending facilities, the Association is not permitted to pledge these assets as security for other borrowings or sell them to another entity. In total 2,246 properties are uncharged whereas the remaining 1,684 properties are charged.

17a. Creditors – Government Grants Group and Association

	Dowry Grant	SHG	HFG	Other Government Grants	Total
	£'000	£'000	£'000	£'000	£'000
Grant Received					
As at 1 April 2024 (restated)	42,100	33,824	3,389	1,001	80,314
Received	2,600	6,244	-	4,159	13,003
As at 31 March 2025	44,700	40,068	3,389	5,160	93,317
Amortisation					
As at 1 April 2024 (restated)	18,080	1,122	729	197	20,128
Amortised	2,235	290	116	55	2,696
As at 31 March 2025	20,315	1,412	845	252	22,824
As at 31 March 2025	24,385	38,656	2,544	4,908	70,493
As at 31 March 2024	24,020	32,702	2,660	804	60,186
Due within:					
Less than one year	2,235	290	116	56	2,697
Between two and five years	8,940	1,160	464	219	10,783
In five years or more	13,210	37,206	1,964	4,633	57,013
	24,385	38,656	2,544	4,908	70,493

18. Provisions

There are no Group or Association provisions for the year end 31 March 2025 (2024: none).

19. Defined benefit schemes

SCHEME: Local Government Pension

Monmouthshire Housing Association is an admitted member of the Greater Gwent (Torfaen) Pension Fund, which is part of the Local Government Pension Scheme (LGPS) – a funded defined benefit scheme based on final salary. The Association’s contributions in the year were 16.4% of pensionable salary (2024: 16.4%).

The schemes are funded schemes.

The most recent actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 31 March 2025 by Hymans Robertson LLP. The present value of the defined benefit obligations, the related current service costs and the past service costs were measured using the projected unit credit method.

The key assumptions used are:	2025	2024
	% p.a.	% p.a.
Pension increase rate	2.75%	2.75%
Salary increase rate	3.25%	3.25%
Discount rate	5.80%	5.80%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	Males		Females	
	2025	2024	2025	2024
Current pensioners	20.5 years	20.6 years	24.0 years	24.1 years
Future pensioners*	21.5 years	21.6 years	25.4 years	25.4 years

*Figures assume members aged 45 as at the last formal valuation date.

Historic Mortality

Life expectancies for the prior period end are based on the Fund’s VitaCurves. The allowance for future improvements is shown below:

Current Pensioners	Future Pensioners
CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a.	CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a.

Please note that the mortality assumptions used to value the Obligations in the Employer's Closing Position are different to those used to value the Obligations in the Employer's Opening Position. A commutation allowance is included for future retirements to elect to take 65% of the maximum additional tax-free cash up to HMRC limits. All other demographic assumptions are as per the latest funding valuation of the Employer.

19. Defined benefit schemes (continued)

SCHEME: Social Housing Pension

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

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

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

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

The key assumptions used are:	2025	2024
	% p.a.	% p.a.
Discount Rate	5.94%	4.92%
Inflation (RPI)	3.04%	3.09%
Inflation (CPI)	2.80%	2.79%
Salary Growth	3.80%	3.79%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

19. Defined benefit schemes (continued)

SCHEME: Social Housing Pension (continued)

The mortality assumptions adopted imply the following life expectancies:

2025		2024	
Life expectancy at age 65 (Years)		Life expectancy at age 65 (Years)	
Male retiring in 2025	20.5	Male retiring in 2024	20.5
Female retiring in 2025	23.0	Female retiring in 2024	23.0
Male retiring in 2045	21.7	Male retiring in 2044	21.8
Female retiring in 2045	24.5	Female retiring in 2044	24.4

Assets

	31 March 2025 £'000	31 March 2024 £'000
Global Equity	132	119
Absolute Return	-	47
Distressed Opportunities	-	42
Credit Relative Value	-	39
Alternative Risk Premia	-	38
Liquid Alternatives	218	-
Emerging Markets Debt	-	15
Risk Sharing	-	70
Insurance-Linked Securities	4	6
Property	59	48
Infrastructure	-	121
Private Equity	1	1
Real Assets	141	-
Private Debt	-	47
Opportunistic Illiquid Credit	-	47
High Yield	-	-
Cash	16	24
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	-	8
Secured Income	20	36
Liability Driven Investment	357	486
Currency Hedging	2	-
Net Current Assets	3	2
Total assets	1,178	1,196

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

19. Defined benefit schemes (continued)

SCHEME: Social Housing Pension (continued)

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with the Court's determination expected no earlier than Summer 2025. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this."

19. Defined benefit schemes (continued)

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net (Liability)/Asset for year end 31 March 2025 for LGPS and SHPS

	LGPS Net (liability)/asset £'000's	SHPS Net (liability)/asset £'000's	Total Pensions (liability)/asset £'000's
Fair value of plan assets	43,306	1,196	44,502
Present value of funded obligations	(34,639)	(1,485)	(36,124)
Present value of unfunded obligations	-	-	-
Effect of Asset Ceiling	(8,667)	-	(8,667)
Opening position as at 31 March 2024	-	(289)	(289)
Service cost			
Current service cost	(1,175)	(7)	(1,182)
Expenses	-	(4)	(4)
Past service cost (including curtailments)	-	-	-
Effect of settlements	-	-	-
Total service cost	(1,175)	(11)	(1,186)
Net interest			
Interest income on plan assets	2,115	60	2,175
Interest cost on defined benefit obligation	(1,697)	(72)	(1,769)
Interest on the effect of the asset ceiling	(420)	-	(420)
Total net interest	(2)	(12)	(14)
TOTAL defined benefit cost recognised in SOCI	(1,177)	(23)	(1,200)
Cash flows			
Participants' contributions	455	7	462
	(455)	(7)	(462)
Employer contributions	1,107	104	1,211
Estimated benefits paid	(877)	(47)	(924)
	877	47	924
Estimated unfunded benefits paid	-	-	-
Estimated contributions in respect of unfunded benefits paid	-	-	-
Effect on business combinations and disposals	-	-	-
Expected closing positions	(70)	(208)	(278)
Remeasurements			
Changes in financial assumptions	6,521	255	6,776
Changes in demographic assumptions	61	-	61
Other experience	300	(71)	229
Return on assets excluding amounts included in net interest	132	(142)	(10)
Changes in effect of the asset ceiling	9,087	-	9,087
Total remeasurements in OCI	16,101	42	16,143
Fair value of plan assets	46,238	1,178	47,416
Present value of funded obligations	(30,207)	(1,344)	(31,551)
Surplus not recognised	(16,031)	-	(16,031)
Closing position as at 31 March 2025	-	(166)	(166)
Total remeasurements in OCI	16,101	42	16,143
Surplus not recognised	(16,031)	-	(16,031)
Actuarial (loss) in respect of Pension Schemes - charged to OCI	70	42	112

19. Defined benefit schemes (continued)

The Greater Gwent (Torfaen) Pension Fund has a gross accounting surplus at the reporting date of £16,031k. In line with FRS 102 requirements MHA has recognised an asset on the balance sheet to the extent that it is able to recover the surplus, either through reduced contributions in the future, or through refunds from the plan.

The scheme's actuary has confirmed that they can demonstrate no economic benefit arising to MHA from an 'asset ceiling' calculation comparing the present value of future service costs to the present value of future contributions.

Accordingly, MHA has not recognised the pension asset position, restricting the surplus to £nil, and reducing actuarial gains by the same amount.

19. Defined benefit schemes (continued)

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 March 2024 for LGPS and SHPS

	LGPS Net (liability)/asset £'000's	SHPS Net (liability)/asset £'000's	Total Pensions (liability)/asset £'000's
Fair value of plan assets	37,999	1,211	39,210
Present value of funded obligations	(33,998)	(1,450)	(35,448)
Present value of unfunded obligations	-	-	-
Effect of Asset Ceiling	(2,310)	-	(2,310)
Opening position as at 31 March 2023	1,691	(239)	1,452
Service cost			
Current service cost	(1,292)	(20)	(1,312)
Expenses	-	(4)	(4)
Past service cost (including curtailments)	-	-	-
Effect of settlements	-	-	-
Total service cost	(1,292)	(24)	(1,316)
Net interest			
Interest income on plan assets	1,815	61	1,876
Interest cost on defined benefit obligation	(1,630)	(70)	(1,700)
Interest on the effect of the asset ceiling	(110)	-	(110)
Total net interest	75	(9)	66
TOTAL defined benefit cost recognised in SOCI	(1,217)	(33)	(1,250)
Cash flows			
Participants' contributions	443	13	456
	(443)	(13)	(456)
Employer contributions	1,070	124	1,194
Estimated benefits paid	(1,088)	(37)	(1,125)
	1,088	37	1,125
Estimated unfunded benefits paid	-	-	-
Estimated contributions in respect of unfunded benefits paid	-	-	-
Effect on business combinations and disposals	-	-	-
Expected closing positions	1,544	(148)	1,396
Remeasurements			
Changes in financial assumptions	2,461	27	2,488
Changes in demographic assumptions	195	15	210
Other experience	(1,020)	(7)	(1,027)
Return on assets excluding amounts included in net interest	3,067	(176)	2,891
Changes in effect of the asset ceiling	2,420	-	2,420
Total remeasurements in OCI	7,123	(141)	6,982
Fair value of plan assets	43,306	1,196	44,502
Present value of funded obligations	(34,639)	(1,485)	(36,124)
Surplus not recognised	(8,667)	-	(8,667)
Closing position as at 31 March 2024	-	(289)	(289)
Total remeasurements in OCI	7,123	(141)	6,982
Surplus not recognised	(8,667)	-	(8,667)
Actuarial (loss) in respect of Pension Schemes - charged to OCI	(1,544)	(141)	(1,685)

20. Share Capital – Group and Association

	2025 £	2024 £
As at start of year	61	68
Issued during the year	11	2
Shares cancelled during the year	(7)	(9)
As at end of year	<u>65</u>	<u>61</u>

The shares provide members with the right to vote at general meetings, but members do not have a right to any dividend or distribution in a winding up and are not redeemable.

21. Statement of Cash Flows

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash flow from operating activities				
Surplus for the financial year	4,813	5,704	4,883	5,686
<i>Adjustments for non-cash items:</i>				
Depreciation of tangible fixed assets	6,424	5,489	6,220	5,363
Amortisation of intangible fixed assets	19	19	19	19
Movement in fair value of properties	14	80	14	80
Decrease/(increase) in stock	289	(1,966)	14	(3)
(Increase) in trade and other debtors	(1,457)	(393)	(1,289)	(2,389)
Increase/(decrease) in trade and other creditors	2,054	(109)	2,309	127
Profit on disposal of tangible fixed assets	(2,207)	(1,427)	(2,181)	(1,409)
Amortisation of government grants	(2,696)	(2,453)	(2,696)	(2,453)
Pension costs less contributions payable	(25)	122	(25)	122
<i>Adjustments for investing or financing activities:</i>				
Interest payable	1,638	1,184	1,638	1,184
Interest receivable	(1,244)	(459)	(1,420)	(658)
Taxation	17	49	(26)	41
Net cash generated from operating activities	<u>7,639</u>	<u>5,840</u>	<u>7,460</u>	<u>5,710</u>

Net debt reconciliation – Group

	At 1 April 2024 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 March 2025 £'000
Cash and cash equivalents				
Cash	32,581	(6,519)	-	26,062
Cash equivalents	203	848		1,051
	<u>32,784</u>	<u>(5,671)</u>		<u>27,113</u>
Borrowings				
Debt due within one year	-	(800)	-	(800)
Debt due after one year	(77,627)	4,615	-	73,012
	<u>(77,627)</u>	<u>3,815</u>	<u>-</u>	<u>(73,812)</u>
Total	(44,843)	(1,856)	-	(46,699)

Net debt reconciliation – Association

	At 1 April 2024 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 March 2025 £'000
Cash and cash equivalents				
Cash	31,998	(6,595)	-	25,403
Cash equivalents	203	848		1,051
	<u>32,201</u>	<u>(5,747)</u>		<u>26,454</u>
Borrowings				
Debt due within one year	-	(800)	-	(800)
Debt due after one year	(77,627)	4,615	-	73,012
	<u>(77,627)</u>	<u>3,815</u>	<u>-</u>	<u>(73,812)</u>
Total	(45,426)	(1,932)	-	(47,358)

22. Financial Commitments

Capital commitments are as follows:

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Contracted but not provided for	21,436	2,432	21,436	2,432
Approved by the Board but not contracted for	13,247	14,569	13,247	14,569
	34,683	17,001	34,683	17,001

The expenditure will be funded by a combination of Social Housing Grant, existing cash balances which amounted to £26.5m and the undrawn revolving credit facility of £20m as at 31 March 2025.

23. Contingent Liability

The Association discloses two contingent liabilities for the year ended 31st March 2025.

In March 2024, the Association became aware that it may not have been fully compliant with potential legal obligations arising under the Renting Homes (Wales) Act 2016 (“the Act”) and the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022 (as amended) (“the Regulations”) at the year ending 31 March 2025. On identification of the issue, immediate steps were taken to ensure full compliance with legal obligations as the Association is currently able to understand them. There is an ongoing claim in the High Court brought by a number of other Registered Social Landlords to seek a series of declarations as to the correct meaning and interpretation of the potential obligations. The Association has assessed that the likelihood of an outflow of resources to settle this potential liability following the legal proceedings is less than probable but, acknowledging the inherent uncertainty with such legal proceedings, is more than remote.

A high level of uncertainty remains because the interpretation of the requirements under the Act and Regulations needs clarification which will only be possible following determination of the proceedings that are currently before the High Court, hence any financial effect cannot currently be measured with sufficient reliability at this time. A high level of uncertainty also exists regarding whether there is any possibility of reimbursement. Any such consideration can only follow the resolution of the above matter.

Defined Benefit Pension Scheme

The Association is aware of the 2023 ruling in the Virgin Media vs NTL Pension Trustee case and subsequent court of appeal ruling published in July 2024. These ruled that certain amendments made to the NTL Pension Plan were invalid because they were not accompanied by the correct actuarial confirmation.

There remains significant uncertainty as to whether the judgments will result in additional liabilities for UK pension schemes, and it is possible that the Department of Work & Pensions will introduce legislation to allow changes to be certified retrospectively.

Contingent Liability continued

A detailed review of historic documentation will be needed to determine whether the changes made by the Scheme were valid (assuming retrospective certification does not become an option), and such a review will take some time to complete.

As a result, the Association cannot be certain of the potential implications (if any) and therefore a sufficiently reliable estimate of any effect on the obligation cannot be made.

24. Operating Leases

The total minimum lease payments under non-cancellable opening leases are as follows:

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Payments due: -				
Office equipment				
Not later than one year	4	9	4	9
Between two and five years	12	1	12	1
Later than five years		-		-
Total	16	10	16	10
Motor Vehicles				
Not later than one year	29	32	28	29
Between two and five years	4	32	4	32
Later than five years		-		-
Total	33	64	32	61
Total Operating leases	49	74	48	71

25. Housing Stock

	As at 1 April 2024	Acquisitions	Disposals	As at 31 March 2025
Housing accommodation at a social rent	3,831	49	(13)	3,867
Housing accommodation at intermediate rent	43	-	-	43
Supported Housing Accommodation	10	-	-	10
Housing accommodation at market rent	10	-	-	10
LCHO - held for sale	-	3	(3)	-
	<u>3,894</u>	<u>52</u>	<u>(16)</u>	<u>3,930</u>

At 31 March 2025, the Association was developing an additional 37 units (2024: 43 units) for social housing. Of the social housing units above 13 (2024: 15) are leased to partner organisations who lease them at social rents.

26. Related party transactions

Monmouthshire Housing Association's board consists of 14 independent members. All members are remunerated based on their responsibilities. No board member can use their position to their advantage. Board member travel expenses total £3.3k in the year (2024: £4.5k). There are no tenant board members.

Capsel Limited is a non-charitable company which is 100% owned by Monmouthshire Housing Association Limited and any staff time and costs are recharged from the parent company. The recharge varies from 2% to 100% dependent on the level of involvement. For the year ending 31 March 2025, the total recharge was £20k (2024: £52k). In addition, directors' salaries recharged to Capsel for the year amounted to £16k (2024: £16k).

During the year, Capsel Limited undertook £972k (2024: £1,708k) of work for Monmouthshire Housing Association Limited. Monmouthshire Housing Association undertook £236k (2024: £121k) of work for Capsel Limited.

The year-end inter-company balances were:

- Owed by Monmouthshire Housing Association to Capsel £199k (2024: £138k)
- Owed by Capsel to Monmouthshire Housing Association £5.24million (2024: £5.38million)

27. Ultimate controlling party

The ultimate controlling party of Monmouthshire Housing Association is the Board. The Group prepare publicly available Annual Financial Statements; copies of which are available upon request from the registered office.

28. Investments - Association

Capsel Limited is a company registered in the U.K. and is 100% owned by Monmouthshire Housing Association Limited. The primary activities of Capsel Limited are construction and repair of properties, renewable energy and property management.

Capsel has made a £53k loss (2024: £23k loss) with their net assets totalling £219k at 31st March 2025 (2024: net assets totalling £272k).



Monmouthshire Housing Association

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access the MHA website.

Please contact the Corporate Services Team on **01495 761104** or **corporateservices@monmouthshirehousing.co.uk** if you require this document in Welsh or any other language, PDF, large print, Braille or in an audio format.