

Adra

Adra (Tai) Cyfyngedig

Group Financial Statements

For year ended March 2025



ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

ADRA Group
CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Contents	Page
Board Members and Professional Advisors	1
Board Report incorporating the Strategic Report	2 - 16
Report of the Independent Auditors	17 - 20
Consolidated Statement of Comprehensive Income	21
Consolidated Statement of Changes in Reserves	22
Consolidated Statement of Financial Position	23
Consolidated Statement of Cash Flows	24 - 26
Notes to the Financial Statements	27 – 57

BOARD MEMBERS AND PROFESSIONAL ADVISORS

BOARD MEMBERS

Hywel Eifion Jones (Chair)
Sasha Davies (Vice-Chair)
Richard Mark Jones
Olaf Cai Larsen
Huw Gareth Pritchard
William Nixon
Sharyn Williams
Dawn Jones
Gwenda Crawford (Co-opted Member) (Resigned September 2024)
Denise Stone (Resigned February 2025)
Dafydd Edwards
Glyn Deiniol Evans
Nicholas Bennett (Appointed September 2024)
Helen Pye (Co-opted Member since March 2025)

Secretary and Registered Office

Aled Davies
Ty Coch, Llys y Dderwen, Parc Menai,
Bangor, Gwynedd, LL57 4BL

Executive Officers

Iwan Trefor Jones – Chief Executive
Sarah Schofield – Director of Customers & Communities
Rhys Parry – Director of Resources
Owain Daniel Parry – Director of Property and Development
Delyth Williams – Director of People and Communication
Sion Hughes – Director of Policy and Delivery

External Auditors

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

Internal Auditors

Forvis Mazars LLP
30 Old Bailey
London
EC4M 7AU

Bankers

Barclays Bank plc
One Snowhill
Queensway
Birmingham B3 2WN

Financial Advisors

Savills Financial Consultants
33 Margaret Street
London
W1G 0JD

Funders

National Westminster Bank plc, Lloyds Bank plc, BAE Systems Pension Funds CIF Trustees Limited and Rothesay Life plc

Adra (Tai) Cyfyngedig is a Co-operative and Community Benefit Society registered with charitable rules. Co-operative and Community Benefit Society Number: 30776R. Registered Social Landlord number L152.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Strategic Report
for the year 1 April 2024 to 31 March 2025

The Board of Adra (Tai) Cyfyngedig presents this report and the audited financial statements for the year 1 April 2024 to 31 March 2025. Both 'Adra' or 'Association' are used to refer to Adra (Tai) Cyfyngedig.

As required by the Financial Reporting Council, the Financial Statements have been prepared in compliance with Financial Reporting Standard (FRS) 102.

Principal Activities

Adra is a Large-Scale Voluntary Transfer (LSVT) Housing Association formed in April 2010 following the transfer of 6,300 homes from Gwynedd Council. Adra is a Co-operative and Community Benefit Society registered with charitable rules and is a Registered Social Landlord (RSL) regulated by the Welsh Government. As Adra has matured, it has expanded outside of Gwynedd, and now also owns and manages homes in Conwy, Denbighshire, Flintshire, and Wrexham.

Adra's primary purpose is to provide affordable rented homes to those in housing need, and to ensure that those homes meet the Welsh Housing Quality Standard (WHQS). Adra provides homes at social rent, intermediate rent, market rent, rent to own, and also provides shared-ownership homes.

Adra has one subsidiary, Medra Cyf., which is a limited company registered with Companies House. Medra Cyf. is a property development company building new homes for sale.

As at 31 March 2025, Adra owned and managed **7,325 properties** including 432 Sheltered Housing for older tenants. During the year 2024/25, 183 new homes were completed bringing the total new homes completed since 2015 to 1231.

For the year ending 31 March 2025, Adra's turnover was **£51.7m** (2024: £46.7m), the surplus for the year was **£10.1m** (2025: £8.1m) **386** staff were employed (2024: 372).

Adra holds the ISO 45001 (previously OHSAS 18001) accreditation for Health and Safety, and the ISO 9001 and 14001 accreditations for Quality and Environment management systems respectively. We also hold the ISO 45003:2021 Psychological Health & Safety at Work accreditation.

Objectives and strategies

2024/25 was the final year of our **Corporate Plan** for the period **2022 – 2025** which provided the strategic direction for the group, and included our **Vision**:

"to deliver excellent services to our customers, invest in our existing homes, and build more high quality, low carbon affordable homes."

The plan highlights our three **core values** as a business to support this vision, namely:

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

- **Ambitious**
- **Open & Fair**
- **Trusted**

Over the 3-year lifespan of the plan we identified five **Priority Areas** to guide our activity, namely:

- 1) Providing an excellent Customer Experience
- 2) Providing Quality Homes to be Proud Of
- 3) Decarbonising our Homes
- 4) Supporting People and Communities to Thrive
- 5) Strengthening our Business

This final year of the plan saw us working on developing our next Corporate Plan for the five-year period 2025 – 2030. This new corporate plan consolidates our position as one of the leading social housing providers in Wales and strengthens our offering to our customers. The new plan can be seen at: [Our 2025 -2030 Corporate Plan - Adra](#)

Financial Review

Regulatory Judgement

The Welsh Ministers have powers under Part 1 of the Housing Act 1996 to regulate Regulated Social Landlords in relation to the provision of housing and matters relating to governance and financial management. The Welsh Ministers publish a Regulatory Judgement under sections 33A and 35 of the Housing Act 1996, with this judgement published in accordance with the Regulatory Framework for Registered Social Landlords in Wales and the related regulatory standards.

<https://gov.wales/housing-associations-registered-wales-regulatory-framework>

The judgement is designed to provide the Registered Social Landlord, its tenants, service users and other stakeholders with an understanding of its financial viability and how well it is performing, at a specific point in time.

The judgement must not be relied upon by any other party for any other purpose. The Registered Social Landlord is responsible for the completeness and accuracy of information provided to the Regulator.

A revised Regulatory Framework was published in 2022, and Adra was assessed against this revised framework. The Regulatory Judgement published by the Welsh Government in October 2022 gave a 'Compliant – Green' status (i.e. the highest rating) for both 'Governance and Tenant Services'; and 'Financial Viability'. The Judgement noted:

ADRA (TAI) CYFYNGEDIG

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

- Governance and Tenant Services: “The Association meets the regulatory standards and will receive routine regulatory oversight”
- Financial Viability: “The Association meets the regulatory standards and will receive routine regulatory oversight”

The Regulatory Judgement is available at the ‘Regulation’ section of Adra’s website: <https://www.adra.co.uk/en/about-us/our-performance/regulation/>

Financial Performance

The 2024/25 financial results showed a surplus on ordinary activities of £9.6m. Despite economic pressures, Adra managed to contain costs, and our continuous growth generated additional income, e.g. from the new homes under management. The result includes the £4.1m dowry from the Welsh Government which is reinvested in Adra’s properties.

Tangible fixed assets were £397.99m at year-end, being mainly the cost of capitalised new properties and housing improvements. Net current assets were £2.2m. Cash balances were £2.4m, and the recognised asset value on the local government pension scheme fund was nil. Total year-end reserves were £103.7m, mainly being housing properties/improvements less the long-term funding of those works, plus cash and other current assets.

Adra has total borrowing facilities of £258.8m. At year-end £197.3m had been drawn as follows:

- Term Loan from Nat West Bank totalling **£45.0m** - repayable in December 2029
- Private Placement facilities totalling **£105.0m** – repayable in the period 2048 – 2052
- Revolving Credit Facility loans (Lloyds Bank and NatWest) totalling **£33.5m** – repayable in 2029-2031
- Welsh Government variable rate loan totalling **£1.290m** - repayable before 2028
- Welsh Government fixed rate loans totalling **£2.957m** – repayable in 2041
- Welsh Government fixed rate loan totalling **£1.0m** – repayable in 2025
- Welsh Government fixed rate loan totalling **£5.0m** – repayable in 2054
- Welsh Government fixed rate loan totalling **£5.0m** – repayable in 2055

Assets

As at 31 March 2025, Adra owned and managed **7,325 properties** with more than 200 further homes to be completed by March 2026.

Investment in our existing housing stock continued during the year and the WHQS standard was maintained. Since inception in 2010, a total of £213m has been spent on existing homes, with a further £13.9m invested in 2024/25. A further £40.3m was spent on new build schemes in 2024/25, on top of the £180m previously spent.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Rents

Adra must ensure that its social rents comply with the Welsh Government's policy on Social Housing Rents. The policy takes into consideration recommendations made within two reports commissioned by Welsh Government: Independent Affordable Housing Supply Review which places the tenant and affordability at the heart of their recommendations; and the Herriot Watt Welsh Government social rent policy review.

The policy became operational from 2020/21 and allows an annual rental uplift of up to CPI+1% each year for 5 years from 2020/2021 to 2024/2025, now extended to include 2025/26 and 2026/27. The Cabinet Secretary for Housing however has the right to intervene if Consumer Price Index (CPI) is above 3% or below 0%.

After a detailed exercise to assess affordability, and in line with the Welsh Government's notification that the maximum annual rent uplift would be CPI only again for 2024/25, Adra increased 2024/25 rents by 6.7%. (September 2023 CPI level.) This resulted in an average weekly rent increase from £104.41 in 2023/24 to £111.41 in 2024/25, and total rent charged of £43.3m.

Shared Ownership Sales

Adra's first shared ownership properties became available in 2021/22, and 16 such properties were occupied by March 2025. The proportion of first-tranche sales range between 25% and 75%.

Efficiency and Value for Money

Promoting Efficiency and Value for Money (VFM) is one of Adra's fundamental underlying principles. The Corporate Plan notes: *"To make sure that our services address customer needs in a cost-effective way, we will continually review how we do things, carefully balancing cost, quality, and customer expectation. We will procure goods and services fairly and ethically, continuing to support a culture that promotes economy, efficiency, and effectiveness throughout the business, with regular reviews to ensure we undertake relevant improvements. We will also make sure our activities provide the maximum social value and impact to our tenants and communities."*

One of the foundation blocks for delivering Adra's corporate vision is our approach to VFM. In terms of money spent, VFM is not always about paying the lowest price for goods and services, it is about making sure that all money spent delivers efficient, quality outcomes.

Our vision for VFM is *"to achieve quality services for tenants at the best possible price, allowing the redirection of resources to services that deliver most customer impact."*

As well as our Corporate Plan, VFM underpins many of our key strategies such as our Development and Asset Management Strategies. The overall ethos and approach to VFM is about ensuring that every pound spent delivers the maximum impact possible in terms of quality and / or quantity. Without VFM as an overarching principle, companies inevitably

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

spend more than needed to achieve their objectives. Nobody likes to waste resources, and our tenants certainly don't want us to do so.

One of our commitments within our corporate plan is to have increased our impact on the local economy. By the end of 2024/25 an economic impact of **£1.82 for every £1 spent** had been achieved on large-scale contracts.

Social Value

There has been an increased focus on Social Value in recent years and a drive to ensure that our activities and investments make the greatest possible impact. This has been progressed by the Social Value Coordinator post and teams across the company.

Social Value is embedded into the procurement process and ensures that where relevant, social value accounts for 10% of the overall evaluation criteria for contracts valued at over £50,000. Social Value tender questions are designed during the planning phase to ensure that our corporate priorities are met e.g. supporting our tenants and people that live within our communities to gain access to employment & training. The Social Value Coordinator has ensured that the excellent work carried out by Adra staff and our partners - be that through our investments or through our community work, is highlighted and shared internally and externally.

Our Social Value system, Thrive, enables us to calculate the Social Value generated via partnership working and via our procurement activities. We achieved a social value figure of **£12.2m** via various activities in 2024/25.

Sustainability Reporting Standard

Adra became an early adopter of the "Sustainability Reporting Standard for Social Housing" (SRS) in late 2020 and is committed to report against the standard annually. This voluntary reporting framework has been developed for the social housing sector in response to the desire for common reporting on ESG (Environmental, Social and Governance) issues, such as zero carbon targets, affordability, and safety standards. There has also been strong interest and support from investors in respect of developing the standard.

We published our fourth annual Sustainability Report in October 2024, which is available [here](#)

Operational Review

As an established social landlord, Adra is committed to continually improving its business and the services provided to customers, and the Corporate Plan 2022 - 2025 set out our customer centric model, supported by a roadmap for continued growth and service improvement.

Adra's financial and business planning model meant that we have been well placed to deal with recent challenges from turbulent economic conditions. Despite the economic

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

uncertainties, Adra has been able to continue to grow and to provide stability for tenants, partners, and communities.

Key 2024/25 achievements included:

Homes

To maintain compliance with the Welsh Housing Quality Standard (WHQS), Adra continued to invest in existing homes during 2024/25. Adra continued its journey towards decarbonising the housing stock, guided by our **Decarbonisation Strategy** and **Asset Management Strategy**.

Optimised Retrofit Programme

During 2024/25, Adra continued work on delivering Optimised Retrofit Programme (ORP) schemes under the ORP 3.3 funding programme. A total of £3.195m was spent during 2024/25.

New Development

Adra completed **183 additional homes** in 2024/25, with over 98% being EPC rated 'B' and above.

Adra is a key partner for many housing developers across North Wales and had 13 'live' sites (270 homes) under development at the end of March 2025.

The Adra Group's first market sale scheme (via the subsidiary, Medra) at Hayfield, Buckley is due for completion in 2025/26

Affordable Homes

In recognition of the differing needs of our communities to access safe, quality, and affordable housing options in recent years Adra has expanded its rental options. At the end of March 2025, Adra provided 6,293 general needs properties (social rent), 357 intermediate rent properties, 432 sheltered housing properties, 112 market rent properties, 102 rent to own properties and 18 shared ownership properties.

Repairs and Maintenance

Adra's in-house workforce (Tîm Trwsio) continued to deliver repairs and maintenance services to our homes and also delivering part of the capital improvement programme (worth circa £5m) for the Assets Service.

Tenant satisfaction with the repairs service was **91%** in 2024/25 which exceeded the 90% target. The three-year period average was over 92%. Against a backdrop of a continued increase in the level of demand, the service completed **23,798 repairs jobs** in the year, refurbished **384** empty properties and serviced **7,672** boilers.

Our commitment to maintaining the Health and Safety ISO accreditation (ISO45001) means that we continue to prioritise the health and safety of tenants, staff, and the public. We take

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

our regulatory obligations, compliance, and management of associated risks seriously and have robust processes to measure our compliance against the traditionally recognised 'Big 6' health and safety areas, namely Gas Safety, Electrical Safety, Lift Safety, Legionella, Asbestos and Fire Safety. 2024/25 saw continued compliance performance monitoring of matters beyond the traditional 'Big 6' such as those relating to damp, mould, and condensation. During 2024/25, **90%** of our customers surveyed responded that they were happy that Adra provides a home that is safe and secure (over 92% over the course of 2022 to 2025)

Customer Satisfaction

Adra always strives to deliver excellent customer service, and we maintained our Customer Service Excellence (CSE) Standard accreditation during 2024/25. This standard assesses organisations using five criteria, namely: 'Customer insight'; 'Culture of the organisation'; 'Information and access'; 'Delivery'; and 'Timeliness and quality of service'. Our work with an external research agency to ask over 125 customers each month about their experience forms a part of our continuous improvement processes.

Our Corporate Plan puts our customers at the centre of all that we do, and two of our five main priorities focus on them – in respect of meeting their expectation of service delivery (Priority 1 - Providing an Excellent Customer Experience) and through additional support (Priority 4 – Supporting People and Communities to Thrive).

Despite the ever-changing landscape of challenges faced by our customers, we can proudly say that our staff maintained the high standards expected. During 2024/25 a significant proportion (**90%**) of our customers surveyed stated that they were happy (satisfied or very satisfied) with our front facing services (91% over the three-year period 2022 – 2025). In addition, our customers also noted high levels of trust in us, with nearly 9 out of every 10 surveyed (**87%**) agreeing that they found us to be trustworthy; this placed us significantly higher than the Welsh national average of 77%.

The Housing Regulator for Wales has established thirteen customer satisfaction questions on which we must report – 'Overall level of service', 'Quality of the home', 'How Adra deals with Repairs and Maintenance', 'That Adra listens and acts on tenants' views', 'How Adra deals with Anti-Social Behaviour', 'Rent paid provides value for money', 'Service charges paid present value for money', 'The trustworthiness of the organisation', 'The neighbourhood as a place to live', 'The home provided is safe and secure', 'That Adra gives them a say in how services are managed, and 'That Adra gives them an opportunity to participate in decision making'. 2024/25 saw eight (8) of the thirteen (13) achieve a customer satisfaction score of **78% or above** with eleven (11) achieving a performance level higher than the Welsh national average.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Academi Adra

Priority Area 4 of the Corporate Plan sets out our ambition to 'Support People and Communities to Thrive' and is centred on five thematic priorities namely 'Employment and Skills', 'Health and Wellbeing', 'Crime and Safety', 'Environment', and 'Language and Culture'. One of the key vehicles to drive forward changes and support customers to gain meaningful employment of training opportunities is our employment and skills initiative *Academi Adra*.

Our goal was to support 500 people into employment and training between 2022 and 2025. Supported by the receipt of shared prosperity funding via the UK Government, 189 individuals were supported to improve their skills and employability in 2024/25 - either with Adra or through our contracts delivered by partners and contractors. The total supported over the last three years was 551 individuals. These included apprenticeships, traineeships, work placements and work experience. Academi Adra supported 67 individuals through the provision of accredited training courses, work experience and paid work placements.

Some of the successes of Academi Adra and its partners in 2024/25 included:

- 164 individuals received vocational training (construction, customer and administrative skills, grounds maintenance and supporting people)
- 23 courses held
- 36 individuals supported into a paid work placement
- 29 individuals went on to employment or apprenticeship
- 12 individuals moved on to full time employment after participating on one of our courses
- 30 partners and contractors collaborated with
- **£576,428** of social value generated

Sustainable procurement

We recognise the potential benefits that our procurement activities can have on the local economy, and we have continued to deliver ethical and sustainable best practices within procurement activities. Adra was the first Housing Association to sign up to Welsh Government's Code of Practice – Ethical Employment in Supply Chains and we continue to ensure that all suppliers and contractors sign up to Adra's Code of Conduct; this helps increase customer satisfaction and support to the local economy.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

During 2024/25, our main source of repairs and maintenance materials, Travis Perkins, calculated that **86%** of materials used by us derived from sustainable sources (up from 64% the previous year).

Tŷ Gwyrddfai, Penygroes

Following the signing of a lease on 12,000 ft² of disused factory space in Penygroes, Gwynedd, further progress has been made on the Adra-led **decarbonisation hub “Ty Gwyrddfai”**. Our new office there opened in 2023, and the hub serves as a base for our repairs and maintenance team.

Tŷ Gwyrddfai became fully operational in 2023/24 and the appointment of a new Business Manager for the facility which was a catalyst for driving increased activity. The use of the hub’s conferencing facilities increased significantly and dedicated training for low carbon technologies continued to be provided by Grwp Llandrillo Menai.

Using £400k of UK Government Shared Prosperity Funding, October 2024 saw the completion of our ambitious development of an [environmentally controlled research facility](#) at Tŷ Gwyrddfai. This unique development will be managed by Bangor University and it strengthens our commitment to research and development solutions to tackle the climate change challenge within our homes. 2025/26 will see the first tests being run within the research facility.

We were also awarded **£90k in** ARFOR funding via the Welsh Government. ARFOR is a joint venture by Carmarthenshire, Ceredigion, Gwynedd and Anglesey Councils which seeks to use entrepreneurship and economic development to support the heartlands of the Welsh language and, thus, promote the language. Through this funding stream we piloted a course to provide training to local contractors / SMEs in completing applications for contracts with Adra and other similar organisations. 21 local contractors / SMEs attended the pilot – see [here](#) for more information.

Reducing the impact of fuel poverty

Adra has an important role in supporting tenants who are impacted by poverty, and this continued to be a prominent issue in 2024/25 exacerbated by the cost-of-living crisis and the reduction in winter fuel payment eligibility.

As part of our support package, we provide an energy warden service to our tenants. Advice is given on how to reduce energy use, how to switch to better tariffs and how to use heating systems effectively. The wardens also provide support with applying for grants and benefits e.g. Warm Home Discount, Winter Fuel Payments, DAF grants and Welsh Water discounts to maximise the household income.

- We provided energy support and advice to 183 individuals in 2024/25 through our Energy Warden Scheme in partnership with Grŵp Cynefin. This included support with

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

fuel voucher applications, DAF and other grant applications, understanding of heating system, meter issues and negotiating customer debts with energy suppliers.

- Using Shared Prosperity Funding we also directly employed an energy warden to work specifically with Adra tenants; during the year the warden engaged with 1,035 individuals offering support and advice.
- As the lead partner in the Gwynedd Sero Net Project we secured funding from UK Government's Shared Prosperity Fund, which enabled Adra and its partners to employ a further 6 energy officers (4.1 FTE) to support and give advice to Gwynedd residents across all tenures up to December 2024.
- During the year we registered as a partner with the Fuelbank Foundation and through this partnership, we managed to secure a total of 914 Fuelbank Vouchers which provided over £32,000 to tenants in 'fuel crisis'.
- Through the SPF we worked in partnership with Datblygu Egni Gwledig (DEG) which enabled us to employ 3 part time energy officers (1 FTE). Over the course of 2024/25, 551 individuals in Gwynedd received energy support and advice
- The support provided led to a total of 1,492 interventions, resulting in an estimated financial saving of £48,227

Prosiect Sero Net Gwynedd

Another key partnership project, led by Adra, that received Shared Prosperity Funding is Prosiect Sero Net Gwynedd (Zero Net Gwynedd Project) which was awarded £300k.

The project's original aim was to establish arrangements to manage the decarbonisation challenges of Gwynedd's housing stock. This was done by working with several key partners and community groups on raising awareness of energy conservation within communities, demonstrating the benefits of green technologies, strengthening supply chains through targeted training, and supporting the establishment of Tŷ Gwyrddfai.

Adra led the project, working closely with Datblygiadau Egni Gwledig, Partneriaeth Ogwen, Grŵp Cynefin, Grŵp Llandrillo Menai and Cyngor Gwynedd and the scope of the project evolved over time.

By March 2025, we:

- engaged with 1,233 local people to raise their awareness of decarbonisation, and provide practical solutions and advice to help alleviate fuel poverty
- provided targeted support to 299 people to support them to reduce their energy consumption and minimise fuel poverty e.g. advice and support to change tariffs, access to Fuel Bank vouchers and practical solutions such as heated blankets
- retrofitted 5 community buildings to reduce their CO2 emissions and use these buildings as practical exemplars of what's possible. The interventions funded are forecasted to achieve savings of circa £3,500 per annum across all centres.
- created 6 fully trained "energy advice officer" roles in the local communities

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Governance

Language and equality

In accordance with the Welsh Language Act 1993 and the Welsh Language (Wales) Measure 2011, Adra has a Welsh Language Scheme that adopts the principle that the Welsh and English languages will be treated equally. The Annual Monitoring Report found that Adra has rigorous and robust arrangements in place to ensure that a bilingual service is provided to customers.

Our adopted Welsh Language Scheme recognises that our customers require all services to be available in the language of their choice (Welsh/English). To demonstrate our commitment to treating both languages equally, we were the first social landlord to launch the 'Adra Ten Commitments to the Welsh Language' – our language charter. This includes how we will support the Welsh Government in reaching its target of one million Welsh speakers by 2050. As at March 2025, **98%** of Adra staff speak Welsh as a first or second language.

Housing Association Regulatory Assessment

As with all RSLs in Wales, Adra is regulated by the Welsh Government through an ongoing co-regulatory relationship between the Regulator and the Association. As noted on page 3, the Welsh Government's Regulatory Judgement published in October 2022 confirmed a 'Compliant - Green' status (i.e. the highest rating) for both Governance and Tenant Services, and Financial Viability. Adra maintains a strong relationship with the Regulator and is in regular contact.

The Code of Governance

The Board and wider organisation follow Community Housing Cymru's (CHC's) Code of Governance – a useful tool to support good governance and continuous improvement.

Adra has evaluated its compliance with the latest version of the Code to assess if good practices are in place or have been considered. It was concluded that Adra complies with the majority of the code, with just a few improvement actions noted.

Board and Committee Structure

Adra's Rules provide for a flexible Board size of between 9 and 12 Members (not including Co-optees). The Rules provide that two Members of the Board shall be Tenant Board Members, and that up to 24% of the Board shall be nominated by the Local Authority, with the remaining Board Members being Independents. The Board may additionally appoint up to 3 Co-optees. All hold non-Executive positions and collectively bring a wide range of professional, commercial, and local knowledge. The Board and Executive Leadership Team members are detailed on page 1.

Annual Board appraisals are used to help inform training / support requirements and any recruitment needs. The Adra Board has a strong set of relevant skills, knowledge, and experiences. An independent Board skills appraisal undertaken in 2022/23 raised some points

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

for potential strengthening – appointments made during 2024/25 bolstered specific Board skills.

Adra's governance structure comprises the following Board Committees / Standing Panel:

- Audit and Assurance Committee
- Customers and Assets Committee
- Appointment, Remuneration & Disciplinary Panel

Medra Board (Subsidiary)

Medra has 2 Board members, and regular updates on activity are provided to the Adra Board. Medra's first development scheme (the Hayfield in Flintshire) is nearing completion.

Statement of Board Responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare accounts for each financial year. These accounts must give a true and fair view of the Association's situation, and of its surplus for that period. In preparing the accounts, the Board must:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed.
- prepare the accounts on the going concern basis unless that is inappropriate.

The Board are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Association and enable them to ensure that the accounts comply with the Co-operative and Community Benefit Societies Act 2014 and Housing Acts. In determining how amounts are presented within items in the Consolidated Statement of Comprehensive Income and the Statement of Financial Position, the Board has had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, by establishing and maintaining a satisfactory system of control over the Association's accounting records, cash holdings and all its receipts and remittances.

Although the Board is responsible for Adra's strategy and policy framework, operational management and implementation is delegated to the Executive and wider staff.

Shareholder Membership

Adra had 29 Shareholders at the end of 2024/25, with each having a £1 (nominal) Share in Adra. Shareholders can influence Adra's business through voting on Shareholder resolutions, including at General Meetings. All tenants can apply to become Shareholders, and our Rules / Policy govern eligibility.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Gwynedd Council (the relevant Local Authority) holds one non-voting ceremonial Share; and the remaining Board members (excluding Co-opted) are all Shareholders. None of the senior officers hold any interest in the share capital, and the Association's Rules so preclude employees holding a Share.

Internal Control

The Board has overall responsibility for establishing and maintaining the overall system of internal control and reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of Adra's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within general management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which Adra is exposed to and is influenced by Welsh Government's RSL 02/10 Housing Circular: 'Internal Controls and Reporting'.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

Identification and evaluation of key risks:

The Risk Management Framework outlines the processes involved in risk management, including the identification, analysis and scoring of risks, and how risks are monitored and managed. The framework helps ensure that the whole organisation is involved in risk management and monitoring, and refers to two level of organisational risk, namely strategic and operational for which two separate risk registers are maintained. Other areas of the business may create and maintain individual risk registers e.g. development schemes and projects.

This process enables Adra to identify key risks and uncertainties, and the highest scoring risks in 2024/25 were as follows (note that mitigations have been put in place to reduce the risk levels):

- Adra has unsuitable and insufficient business infrastructure, processes and systems to be resilient (Initial score 25 / Residual score 9)
- Failure to deliver landlord health and safety compliance (Initial score 25 / Residual score 15)
- Adverse economic conditions and / or ineffective financial management (Initial score 25 / Residual score 9)

ADRA (TAI) CYFYNGEDIG

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

- Adverse social and economic conditions that affect people and communities (Initial score 20 / Residual score 12)
- Failure to comply with policy and legislation (Initial score 20 / Residual score 10)

General reporting and monitoring of operational and strategic risks happen on a quarterly basis with Senior and Executive management respectively. Board level input into the process is sought annually and follows an organisational SWOT (Strengths, Weaknesses, Opportunities and Threats) review and PESTLE (Political, Economic, Social, Technical, Legal and Environmental) analysis. Part of this Board input also relates to the annual review and setting of the Board's risk appetite for the forthcoming year.

The internal audit function is provided by an independent firm of accountants, and follows a risk-based audit programme, reporting directly to the Audit and Assurance Committee.

Overall control procedures:

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance matters. Policies and procedures address issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection.

Information and financial reporting systems:

Financial reporting procedures include detailed budgets for the year ahead, detailed monthly management accounts, and forecasts for the remainder of the financial year and for subsequent years. These are reviewed in detail by senior management and are considered and approved quarterly by the Audit and Assurance Committee. That committee also approves the quarterly treasury management report. Adra's committees regularly review relevant key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes. The Board approves the annual 30-year business plan, and in-year reviews of this plan also take place. Regular financial reports are also submitted to the Funders and the Regulator.

Monitoring and corrective action:

A process of regular management reporting on control issues provides assurance to senior management and to the Audit and Assurance Committee. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of services.

The internal control frameworks and the risk management processes are subject to regular review by the Internal Auditor, who report conclusions to the Audit and Assurance Committee. The Audit and Assurance Committee also undertakes an annual consideration of the effectiveness of the system of internal control and would consider any changes needed to maintain the effectiveness of risk management and control process.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The Board confirms that there is an on-going process for identifying and managing significant risks, that this process is regularly reviewed by the Board, and was in place throughout 2024/25 and up to the date of the annual report and accounts.


Statement of compliance

This board confirms that this Strategic Report has been prepared in accordance with the principles set out in Para 4.7 of the Housing SORP 2018.

By Order of the Board:

Hywel Eifion Jones – Chair

Date: 10 September 2025



ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Independent Auditor's Report to Adra (Tai) Cyfyngedig

Opinion

We have audited the financial statements of Adra (Tai) Cyfyngedig ('the Association') and its subsidiary ('the Group') for the year ended 31 March 2025 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated Statement of Changes in Reserves, Association Statement of Changes in Equity, Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 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 Association's or Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

With respect to the Board's statement on internal financial controls on pages 12 to 13, in our opinion:

- The Board have 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's Responsibilities set out on page 11, 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

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's 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 and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.

ADRA (TAI) CYFYNGEDIG

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

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

Beever and Struthers

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

Date: 24 September 2025

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Consolidated and Association Statement of Comprehensive Income

For the year ended 31 March 2025

	Notes	Consolidated	Consolidated	Association	Association
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Turnover	2	51,664	46,672	51,853	46,761
Operating Expenditure	2	(37,693)	(34,531)	(37,840)	(34,560)
Gain / (Loss) on Disposal of Property, Plant & Equipment		(187)	5	(187)	5
Operating Surplus		13,784	12,146	13,826	12,206
Increase / (Decrease) in Valuation of Investment Property	8	2,070	162	2,070	162
Impairment of Financial Asset	4	-	-	(650)	-
Interest Receivable	4	196	180	196	180
Interest and Financing Costs	4	(5,776)	(4,211)	(5,610)	(4,161)
Loan finance issue Costs	4	(212)	(186)	(212)	(186)
Surplus/(Deficit) for the Year		10,062	8,091	9,620	8,201
Taxation	21	0	0	0	0
Surplus/(Deficit) for the Year		10,062	8,091	9,620	8,201
Actuarial Gain / (Loss) in Respect of Pension Schemes	16	(134)	(283)	(134)	(283)
Total Comprehensive Income for the Year		9,928	7,808	9,486	7,918

The association's results relate wholly to continuing activities.

The financial statements on pages 21 to 57 were approved and authorised for issue by the Board on 10 September 2025 and were signed on its behalf by:

Hywel Eifion Jones – Chair Sasha Davies – Vice Chair Aled Davies – Secretary





The notes on pages 27 to 57 form an integral part of these accounts.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Consolidated and Association Statement of Changes in Reserves

For the year ended 31 March 2025

	Consolidated	Consolidated	Association	Association
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Balance as at 1 April 2024	93,799	85,991	94,265	86,347
Surplus/(deficit) from Statement of Comprehensive Income	9,928	7,808	9,486	7,918
Depreciation Adjustment	-	-	-	-
Reserves used in year	-	-	-	-
Balance as at 31 March 2025	103,727	93,799	103,751	94,265

The notes on pages 27 to 57 form an integral part of these accounts.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Consolidated and Association Statement of Financial Position as at 31 March 2025

	Note	Consolidated		Association	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible Fixed Assets	6, 7, 8	397,992	353,596	398,003	353,607
Current Assets					
Stock	9	4,799	3,214	932	1,079
Trade and Other Debtors	10	12,069	20,648	12,423	20,805
Debtors: Due After One Year	10	2,906	4,052	6,238	6,344
Cash and Cash Equivalents	11	2,463	10,731	2,458	10,728
Total Current Assets		22,237	38,645	22,051	38,956
Less: Creditors Due Within One Year	12	(19,994)	(24,163)	(19,795)	(24,019)
Net Current Assets		2,243	14,482	2,256	14,937
Total Assets less Current Liabilities		400,235	368,078	400,259	368,544
Creditors: Due After One Year	13	(296,508)	(274,279)	(296,508)	(274,279)
Provision for Liabilities:					
Pension Provision	16	0	0	0	0
TOTAL NET ASSETS		103,727	93,799	103,751	94,265
Reserves:					
Non-equity Share Capital	14	-	-	-	-
Income and Expenditure Reserve		103,727	93,799	103,751	94,265
TOTAL RESERVES		103,727	93,799	103,751	94,265

The financial statements on pages 21 to 57 were approved and authorised for issue by the Board on 10 September 2025 and were signed on its behalf by:

Hywel Eifion Jones – Chair Sasha Davies – Vice Chair Aled Davies – Secretary





The notes on pages 27 to 57 form an integral part of these accounts.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Consolidated Statement of Cash Flows

For the Year Ended 31 March 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Net Cash Generated from Operating Activities (see Note i)		24,748		19,928
Cash Flow from Investing Activities				
Purchase of Tangible Fixed Assets	(54,840)		(63,816)	
Proceeds from Sale of Tangible Fixed Assets	932		158	
Grants Received	17,993		12,298	
Interest Received	196		180	
		<u>(35,719)</u>		<u>(51,180)</u>
Cash Flow from Financing Activities				
Interest Paid	(5,778)		(4,225)	
Loans and drawdowns received (net)	9,000		35,430	
Repayment of Borrowings	(130)		-	
Loan Breakage Costs	-		-	
Finance Costs	(389)		(50)	
		<u>2,703</u>		<u>31,205</u>
Net Change in Cash & Cash Equivalents		<u>(8,268)</u>		<u>(47)</u>
Cash & Cash Equivalents at Beginning of the Year		10,731		10,778
Cash & Cash Equivalents at the End of the Year		2,463		10,731

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Free Cash Flows

For the Year Ended 31 March 2025

	2025	2024
	£'000	£'000
Net Cash Generated from Operating Activities (see Note i)	24,748	19,928
Interest paid	(5,778)	(4,175)
Interest received	196	180
Adjustments for reinvestment in existing properties		
Component replacements	(13,918)	(14,625)
Purchase of other replacement fixed assets	(644)	(635)
Component replacement grant received	1,855	1,200
Free cash (consumed) / generated before loan repayments	6,459	1,873
Loans repaid (excluding revolving credits and overdrafts)	(130)	-
Free cash (consumed) / generated after loan repayments	6,329	1,873

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Reconciliation of Net Surpluses to Net Cash Inflow from Operating Activities (Note i)

	Year Ended		Year Ended	
	31 March 2025		31 March 20234	
	£'000	£'000	£'000	£'000
Surplus for the year		10,063		8,091
Adjustments for Non-Cash Items:				
Depreciation of Tangible Fixed Assets	11,412		9,944	
Revaluation of Investment Property	(2,070)		(162)	
Decrease / (Increase) in stock	(1,585)		(1,582)	
Decrease / (Increase) in Trade & Other Debtors	9,725		9,791	
Increase / (Decrease) in Trade & Other Creditors	(7,146)		(9,262)	
Increase / (Decrease) in Provisions	-		-	
Pension Costs less Contributions Payable	(132)		41	
Carrying Amount of Fixed Asset Disposals	1,110		151	
Finance Costs	212		186	
		11,526		9,107
Adjustments for Investing or Financing Activities:				
Proceeds from the Sale of Tangible Fixed Assets	(932)		(158)	
Government Grants Utilised in the Year	(1,489)		(1,093)	
Interest Payable	5,776		4,161	
Interest Received	(196)		(180)	
		3,159		2,730
Net Cash Generated from Operating Activities		24,748		19,928

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Notes to the Financial Statements

1. PRINCIPAL ACCOUNTING POLICIES

Adra (Tai) Cyfyngedig is incorporated in Wales under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Welsh Government as a Registered Provider of social housing. Adra is a public benefit entity, and its registered office is Ty Coch, Llys y Dderwen, Parc Menai, Bangor, Gwynedd, LL57 4BL.

Basis of Accounting

The financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. The financial statements comply with the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. The accounts are prepared on the historical cost basis of accounting and are presented in pounds sterling. Unless otherwise noted, amounts are rounded to the nearest £1,000.

The financial statements have been prepared in compliance with FRS102.

Basis of Consolidation

The consolidated Financial Statements include the Association and its subsidiary company, Medra Cyfyngedig for the financial year to 31 March 2025. The results of the subsidiary are included in the Consolidated Statement of Comprehensive Income from the commencement of trading. Intra-Group transactions are eliminated on consolidation.

Going concern

A review of the Group's forecasts, projections and long-term business plan shows that there is a reasonable expectation that it has adequate resources to continue operating for the foreseeable future. The financial statements continue to be prepared on a going concern basis.

Judgements and key sources of estimation uncertainty

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

- **Development expenditure.** Adra capitalises development expenditure in accordance with the accounting policy described under "Tangible Fixed Assets". Initial capitalisation of costs is based on management's judgement that a development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is

ADRA (TAI) CYFYNGEDIG

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

- **Categorisation of housing properties.** Adra has undertaken a detailed review of the intended use of its housing properties – this review concluded that all housing properties are held for social benefit.
- **Pension and other post-employment benefits.** The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. 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 Gwynedd Council Pension Fund at 31 March 2025 identified an accounting surplus of £18.995m. The scheme’s actuary has provided a calculation of the economic benefit arising to Adra from reduced contributions in the future. This amounts to £0. Accordingly, Adra has recognised the plan surplus to this extent.

There are no key sources of estimation uncertainty that have a significant risk of causing a material adjustment in the carrying value of assets and liabilities in the next financial year.

Other key sources of estimation and assumptions:

- **Tangible fixed assets.** As detailed on the next page, tangible fixed assets are depreciated over their useful lives considering residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on many factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

ADRA (TAI) CYFYNGEDIG

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

- **Rent to Own**
Rent to Own properties are held in fixed assets. Any sales proceeds will be included in turnover.
- **Shared Ownership sales – first tranche**
Low-cost ownership properties are split between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and any related sales proceeds will be included in turnover. The remainder is included in completed housing property at cost.
- **Bad debt provision.** An estimation is made of the recoverable value of rental and other receivables. A Bad debt provision is created for any amounts that are unlikely to be recovered. The annual change in the Bad debt provision is charged to the Consolidated Statement of Comprehensive Income, and the amount to provide is based on an assessment of the age profile of the debt, historical collection rates and the class of debt.
- **Impairment of non-financial assets.** Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Consolidated Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following a trigger for impairment, Adra performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to Adra as the existing property. The cash flows are derived from the 30-year business plan and do not include restructuring activities that the association is not yet permitted to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Following the assessment of impairment, no impairment triggers were identified in the reporting period.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Turnover

Turnover comprises:

- Rent and service charges receivable net of empty property voids;
- Rechargeable repairs;
- Grants from the Welsh Government;
- Fees;
- Revenue grants.

Fixed Assets and depreciation

Housing properties are depreciated in accordance with the Statement of Recommended Practice (SORP) "Accounting by Registered Social Landlords".

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is not depreciated.

Freehold housing properties are depreciated by component on a straight-line basis over the estimated useful economic lives of the component categories.

Useful economic lives for identified components are therefore as follows:

Component	Years
Building Structures	80 years
Roofing	60 years
Windows and Doors	30 years
Central Heating	20 years
Kitchens	18 years
Bathroom	30 years
Electrical Wiring	30 years
Walls and Other External Works	50 years
Disabled Adaptations	10 years
Solar Panels	25 years
Communal Blocks	15 years
Energy Efficient Technology	7 to 15 years

Depreciation is charged over the expected useful life of assets related to estates and other land as follows:

Asset	Years
Fencing	40 years

ADRA (TAI) CYFYNGEDIG

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Paths	30 years
Drainage	30 years
Parking Areas	30 years
Street Lighting	20 years

Depreciation is charged over the expected useful economic life of other fixed assets as follows:

Asset	Years
Offices	15 to 80 years
Garages	30 to 60 years
Shops	15 to 80 years
Vehicles	6 years*
Plant	5 years
IT Equipment	5 to 10 years
Furniture	5 to 7 Years
Ty Gwyrddfai Leasehold Improvements	8 years

* Following a review of Useful Economic Life of Adra's vehicle fleet (mainly work vans), the UEL for the Vehicles category was increased from 5 years to 6 years in 2023/24.

Investment property

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers (unless market conditions are deemed unchanged to that of the previous year) and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive income. There are no restrictions on realisation or remittance of income or disposal proceeds.

Stock and Work in Progress

Stock relates to both Adra shared-ownership properties held for sale and to repairs and maintenance materials, while work in progress relates to Medra properties / schemes that are either held for sale or are partially developed. The amounts recognised as work in progress represents the purchase and construction price and any directly attributable costs of acquisition. The directly attributable labour costs that arise directly from the construction or acquisition are recognised as these costs would have been avoided if the property had not been constructed or acquired. Interest costs incurred during the development period is added to the work in progress total based on the net investment and the average borrowing costs during the year.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Both stock and work in progress are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Stock cost is based on the cost of purchase on a first in, first out basis. At each reporting date, stock and work in progress 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, with the impairment loss being recognised immediately in the Consolidated Statement of Comprehensive Income.

Social Housing and Other Government Grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received is included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land) under the accruals model. The Social Housing Grant (SHG) received for items of cost written off in the Consolidated Statement of Comprehensive Income is included as part of Turnover. The capital element of the Housing Finance Grant 2 (HFG2) is receivable over 30 years and is guaranteed and so is recognised as a Debtor due after one year.

When SHG or HFG2 in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

Recycled Capital Grant Fund

Capital Grants must be recycled under certain conditions, if a property is sold, or if another relevant event takes place and are accounted for by credit to a Recycled Capital Grant Fund. In these cases, the grant can be used for projects approved by the Welsh Government. However, the grant may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain cases, the grant may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Development Capitalised Expenditure

Development expenditure represents the purchase and construction price and any directly attributable costs of acquisition. The directly attributable labour costs of the group's employees that arise directly from the construction or acquisition are capitalised as these costs would have been avoided if the property had not been constructed or acquired.

Interest Payable

Interest incurred during the development period is capitalised and added to the cost of completed housing properties based on the net investment and its average borrowing costs during the year.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has been accrued at the date of the Consolidated Statement of Financial Position and

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the date of the Consolidated Statement of Financial Position.

Repairs and maintenance

The costs of repairs and maintenance are expensed as incurred on the basis of work done at the date of the Statement of Financial Position.

Operating leases

Costs in respect of operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Value Added Tax

Adra is registered for VAT. A large portion of its income including rental receipts is exempt for VAT purposes. Where VAT is not recoverable, the expenditure for these activities is shown in the accounts inclusive of VAT. Adra benefits from the VAT Shelter relief that is available to it, and so major repairs expenditure is shown exclusive of VAT.

Provisions

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

Pensions

Adra participates in three pension schemes:

The **Local Government Pension Scheme (LGPS)** is a defined benefits scheme managed by Gwynedd Council. Contributions are assessed in accordance with the advice of an independent qualified actuary. Certain information concerning the assets, liabilities, income and expenditure relating to the LGPS Scheme are disclosed in accordance with Section 28 of FRS102 – Employee Benefits.

The **Social Housing Pension Scheme (SHPS)** and the **People's Pension** are defined contribution schemes. Contributions are charged to the Consolidated Statement of Comprehensive Income based on the actual payments made to the schemes in the form of employer contributions.

Service charges

Adra operates both fixed and variable service charges on a scheme-by-scheme basis in full consultation with residents. Where variable service charges are levied, the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Consolidated Statement of Financial Position.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Where periodic expenditure is required, a provision may be built up over the years, in consultation with the residents. Until these costs are incurred this liability is held in the Consolidated Statement of Financial Position within long term creditors.

Support income and costs including Supporting People income and costs

Supporting People (SP) contract income received from Administering Authorities is accounted for as SP income in the turnover note 3. The related support costs are matched against this income in the same note.

Loan finance issue costs

These are written off evenly over the life of the related loan. Loans are stated in the Consolidated Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts written off. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which the redemption took place.

Taxation

Adra has charitable status and is therefore not liable for Corporation Tax on its charitable activities.

Stock Transfer Obligation

When the housing stock was transferred in 2010, Adra entered into an agreement to purchase the properties from Gwynedd Council and to carry out improvement works on those properties. The outstanding commitments from this agreement net off to zero, and the Housing SORP 2018 requires the gross values of these obligations to be recognised. The Consolidated Statement of Financial Position therefore shows the related assets and liabilities as debtors and creditors, split into obligations falling due within one year and due after more than one year. (See also notes 10, 12 & 13.)

Given that these assets and liabilities match, their recognition makes no difference to the net current assets / liabilities figure, nor to the Consolidated Statement of Financial Position total.

Adra continues to invest in improvement works on its housing properties, and so the stock transfer obligation decreases annually.

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

ADRA (TAI) CYFYNGEDIG

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method.

Financial instruments held by the Association are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method,
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method,

Financial assets and financial liabilities at fair value are classified using the following fair value hierarchy:

- (a) The best evidence of fair value is a quoted price in an active market.
- (b) When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale, if appropriate.
- (c) Where there is no active market or recent transactions then a valuation technique is used to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. TURNOVER, OPERATING COSTS AND SURPLUS

	2025			2024		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
SOCIAL HOUSING LETTINGS (Note 3)	50,063	(37,003)	13,060	45,283	(33,974)	11,309
OTHER SOCIAL HOUSING ACTIVITIES						
First Tranche Shared Ownership Sales	259	(140)	119	230	(153)	77
NON-SOCIAL HOUSING ACTIVITIES						
Other Residential Letting	975	(399)	576	808	(253)	555
Lettings of Shops and Other Land	147	(32)	115	135	(29)	106
Letting of Garages to Non-Tenants	189	(60)	129	185	(58)	127
Leaseholders	31	(31)	-	31	(31)	-
Income from Subsidiary	189	(175)	14	89	(62)	27
Association Total	51,853	(37,840)	14,013	46,761	(34,560)	12,201
Medra Subsidiary (Consolidation adjustment)	(189)	147	(42)	(89)	29	(60)
Consolidated Total	51,664	(37,693)	13,971	46,672	(34,531)	12,141

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	2025				2024			
	General Housing	Sheltered Housing	Other Social Housing Letting Income	Total	General Housing	Sheltered Housing	Other Social Housing Letting Income	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME								
Rents receivable net of identifiable service charges and net of voids	38,593	1,954	851	41,398	35,464	1,653	789	37,906
Service charge income	542	558	38	1,138	444	501	41	986
Rents receivable	39,135	2,512	889	42,536	35,908	2,154	830	38,892
Supporting People	-	390	-	390	-	354	-	354
Revenue Grants Received	4,652	302	-	4,954	4,159	250	-	4,409
Capital Grants Applied	1,373	-	116	1,489	1,026	-	67	1,093
Miscellaneous Income	661	33	-	694	506	29	-	535
TURNOVER FROM SOCIAL HOUSING LETTINGS	45,821	3,237	1,005	50,063	41,599	2,787	897	45,283

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

OPERATING EXPENDITURE

Service charge costs	(2,359)	(152)	(42)	(2,553)	(2,207)	(133)	(41)	(2,381)
Management	(10,316)	(669)	(183)	(11,168)	(9,270)	(557)	(172)	(9,999)
Routine maintenance	(7,293)	(525)	(133)	(7,951)	(7,501)	(334)	(139)	(7,974)
Planned maintenance	(3,768)	(-)	(63)	(3,831)	(3,608)	(-)	(63)	(3,671)
Rent losses from bad debts	(147)	(10)	-	(157)	(148)	(9)	-	(157)
Depreciation of Housing Properties	(9,825)	(694)	(175)	(10,694)	(8,865)	(123)	(377)	(9,365)
Other Expenditure	(618)	(31)	-	(649)	(405)	(22)	-	(427)
TOTAL OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS	(34,326)	(2,081)	(596)	(37,003)	(32,004)	(1,178)	(792)	(33,974)
OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS	11,495	1,156	409	13,060	9,595	1,609	105	11,309
Void Losses – Properties	803	87	10	900	651	67	24	742
Void Losses – Garages & Shops	238	-	0	238	215	-	-	215
Void Losses - Total	1,041	87	10	1,138	866	67	24	957

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

4. INTEREST PAYABLE AND INTEREST RECEIVABLE

	Consolidated		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
a. Interest Payable and Similar Charges				
On Loans	6,544	5,165	6,378	5,115
Capitalised Interest	(919)	(1,128)	(919)	(1,128)
Non-Utilisation Fees	153	188	153	188
Net Charge on Pension Scheme Obligations	(2)	(14)	(2)	(14)
TOTAL	5,776	4,211	5,610	4,161
b. Interest Receivable and Similar Income				
On Investments	196	180	196	180
TOTAL	196	180	196	180
c. Loan Finance Costs	212	186	212	186
d. Impairment of Financial Asset (Parent loan)	-	-	650	-

5. SURPLUS FOR THE YEAR

	Consolidated		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
The operating surplus for the year is stated after charging:				
Operating leases – Land and buildings	148	134	148	134
Operating leases – Office equipment	6	3	6	3
Total Operating Lease Payments	154	137	154	137
Auditor's Remuneration – in their capacity as auditors	28	28	23	23
Depreciation of Housing Properties	10,691	9,363	10,691	9,363
Depreciation of Garages	3	2	3	2
Depreciation of Other Assets	718	567	718	567

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

6. TANGIBLE FIXED ASSETS (HOUSING) ASSOCIATION

Association	Affordable			Shared Ownership		Total
	Housing Properties Held for Letting	Assets Under Construction	Component Work in Progress (including 'Trwsio')	Housing Properties Held for Letting	Assets Under Construction	
	2025	2025	2025	2025	2025	2025
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At Beginning of Year	350,889	39,985	1,127	805	94	392,900
Disposals	(1,457)					(1,457)
Transfer to Completed Works	41,680	(28,362)	(13,318)	153	(153)	0
Reclassification						
Additions		34,465	13,919		172	48,556
Adjustment to Note 9				92		92
Adjustment	156	208		(262)	(113)	(11)
Cost at End of Year	391,268	46,296	1,728	788	0	440,080
Depreciation and Impairment						
At Beginning of Year	67,931	-	-	-	-	67,931
Disposals	(814)					(814)
Charge for the Year	10,695					10,695
At End of Year	77,811					77,811
Net Book Value:						
At End of Year	313,457	46,296	1,728	788	0	362,269
At Beginning of Year	282,958	39,985	1,127	805	94	324,969

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

TANGIBLE FIXED ASSETS (HOUSING) CONSOLIDATED

Consolidated	Affordable			Shared Ownership		Total
	Housing Properties Held for Letting	Assets Under Construction	Component Work in Progress (including 'Trwsio')	Housing Properties Held for Letting	Assets Under Construction	
	2025	2025	2025	2025	2025	2025
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At Beginning of Year	350,889	39,974	1,127	805	94	392,889
Disposals	(1,457)					(1,457)
Transfer to Completed Works	41,680	(28,362)	(13,318)	153	(153)	0
Reclassification						
Additions		34,465	13,919		172	48,556
Adjustment to Note 9				92		92
Adjustment	156	208		(262)	(113)	(11)
Cost at End of Year	391,268	46,285	1,728	788	0	440,069
Depreciation and Impairment						
At Beginning of Year	67,931	-	-	-	-	67,931
Disposals	(814)					(814)
Charge for the Year	10,695					10,695
At End of Year	77,811					77,811
Net Book Value:						
At End of Year	313,457	46,285	1,728	788	0	362,258
At Beginning of Year	282,958	39,985	1,127	805	94	324,969

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Assets Under Construction represent new build properties under construction and Work in Progress represents improvement works in progress.

5,022 properties are pledged as security to lenders as part of Adra's funding arrangements.

7. OTHER TANGIBLE FIXED ASSETS

Consolidated and Association	Offices (Leaseholder Improvements)	Vehicles & Plant	IT, and Office Equipment	Furniture	Total 2025
	£'000	£'000	£'000	£'000	£'000
Cost					
At Beginning of Year	1,598	2,393	2,500	6	6,497
Additions	-	403	241		644
Disposals		(79)			(79)
Cost at End of Year	1,598	2,717	2,741	6	7,062
Depreciation					
At Beginning of Year	179	1,557	2,217	3	3,956
Charge for the Year	181	407	176	1	765
Disposals		(49)			(49)
Depreciation Adjustment		(47)	-		(47)
At End of Year	360	1,868	2,393	4	4,625
Net Book Value					
At End of Year	1,238	849	348	2	2,437
At Beginning of Year	1,419	836	283	3	2,541

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

8. INVESTMENT PROPERTIES

Consolidated and Association

	2025 £'000	2025 £'000	2025 £'000	2025 £'000
	Commercial	Market Rent Completed	Market Rent Under Construction	Total
At the start of the year	430	18,535	7,132	26,097
Additions	-	-	5,560	5,560
Transfer to completed Works	-	7,946	(7,946)	-
WIP adjustment	-	1,947	(1,947)	-
Disposal	(430)	-	-	(430)
Change in Recognised Value	-	2,070	-	2,070
TOTAL	0	30,498	2,799	33,297

Commercial and Market Rent properties have been valued by the external valuers Prys Jones & Booth. The firm has provided valuation support to Registered Social Landlords and the wider housing sector for over 25 years. The business was formed in 1974 in Abergele by D Prys Jones FRICS as Valuers, Estate Agents and Auctioneers. Prys Jones & Booth is a firm regulated by the Royal Institution of Chartered Surveyors.

9. STOCK

	Consolidated		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At the start of the year	736	439	736	439
Additions	141	1,019	141	1,019
Properties Sold	(140)	(153)	(140)	(153)
Adjustment to Note 6	(92)	(569)	(92)	(569)
Properties held for Sale	645	736	645	736
Work in Progress	3,867	2,135	-	-
Repairs and Maintenance Materials	287	343	287	343
TOTAL	4,799	3,214	932	1,079

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

10. DEBTORS

	Consolidated		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Debtors Due Within One Year:				
Arrears of Rent and Service Charges	2,709	2,990	2,709	2,990
Less: Provision for Bad Debts	(1,446)	(1,420)	(1,446)	(1,420)
	1,263	1,570	1,263	1,570
Other Debtors and Prepayments	3,610	3,197	3,548	3,159
Grants Receivable	2,324	2,881	2,324	2,881
Welsh Government Loans	-	-	-	-
Amounts due from subsidiary company	-	-	416	195
Stock Transfer Obligation	4,872	13,000	4,872	13,000
TOTAL	12,069	20,648	12,423	20,805
Debtors Due After One Year:				
Stock Transfer Obligation	-	1,067	-	1,067
Amounts due from subsidiary company	-	-	3,332	2,292
Grants Receivable	2,906	2,985	2,906	2,985
TOTAL	2,906	4,052	6,238	6,344

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

11. CASH AND CASH EQUIVALENTS

	Consolidated		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Bank Deposits				
Instant Access Deposit Accounts	2,427	10,703	2,427	10,703
Current Bank Account and Cash in Hand	36	28	31	25
TOTAL	2,463	10,731	2,458	10,728

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade creditors	4,235	5,097	4,235	5,097
Accruals and deferred income	6,305	3,739	6,106	3,595
Rent and Service Income Received in Advance	745	828	745	828
Welsh Government Loan	1,360	0	1,360	0
Deferred capital grant (Note 13a)	1,755	1,301	1,755	1,301
Miscellaneous	722	198	722	198
Stock Transfer Obligation	4,872	13,000	4,872	13,000
TOTAL	19,994	24,163	19,795	24,019

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Loans not Repayable by Instalments:				
Revolving Loans	33,500	29,500	33,500	29,500
Between 1 and 2 Years	800	2,289	800	2,289
Between 2 and 5 Years	45,000	-	45,000	-
Over 5 Years	117,958	157,957	117,958	157,957
Other long-term Creditors	197,258	189,746	197,258	189,746
Finance Costs	(1,329)	(1,151)	(1,329)	(1,151)
	195,929	188,595	195,929	188,595
Deferred capital grant (Note 13a)	94,410	78,450	94,410	78,450
Recycled Capital Grant Fund (Note 13b)	5,126	5,027	5,126	5,027
Capital Replacement Costs	990	777	990	777
Miscellaneous	53	363	53	363
Stock Transfer Obligation	-	1,067	-	1,067
Total	296,508	274,279	296,508	274,279

Loans are secured by specific charges on the association's housing properties and land. The loans are repayable at varying rates of interest and are due to be repaid between 2025 and 2055.

The profile of the loans due after more than one year as at 31 March 2025 was:

Total Loans £'000	Variable Rate £'000	Fixed Rate £'000	Weighted Average Rate %	Weighted Average Term Years
197,258	33,500	163,758	3.21	16.75

The Group had undrawn facilities of £61.5m as at 31 March 2025.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

13a. DEFERRED CAPITAL GRANT

	Consolidated		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At the start of the year	79,751	72,562	79,751	72,562
Grant received in year *	17,993	12,299	17,993	12,299
Recycled within year	(90)	(4,018)	(90)	(4,018)
Released to income	(1,489)	(1,092)	(1,489)	(1,092)
At the end of the year	96,165	79,751	96,165	79,751
Creditors:				
Amount due to be released < 1 year	1,755	1,301	1,755	1,301
Amount due to be released > 1 year	94,410	78,450	94,410	78,450
	96,165	79,751	96,165	79,751

* All grants received during 2024/25 were provided by the Welsh Government in the form of Social Housing Grant, Housing Finance Grant 2 for New Build schemes. Other capital grants received from the Welsh Government included TACP and ORP grants.

13b. Recycled Capital Grant Fund

	Consolidated		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Opening Balance	5,027	1,009	5,027	1,009
Grant Reclassified within the year	99	4,018	99	4,018
Recycled to Development	-	-	-	-
Closing Balance	5,126	5,027	5,126	5,027

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

14. NON-EQUITY SHARE CAPITAL

	Consolidated		Association	
	2025	2024	2025	2024
Shares of £1 each, fully paid and issued at par	£	£	£	£
At 1 April	29	27	29	27
Shares Issued During the Year	1	4	1	4
Resignations During the Year	1	2	1	2
At 31 March	29	29	29	29

15. CAPITAL COMMITMENTS

	Consolidated		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	38,480	37,744	37,341	35,375
Capital expenditure that has been authorised by the committee of management but has not yet been contracted for	49,913	83,734	49,913	83,734
TOTAL	88,393	121,478	87,254	119,109
	2024	2024	2024	2024
	£'000	£'000	£'000	£'000
<u>Anticipated financing sources:</u>				
Committed loan facilities	47,515	70,460	46,376	68,091
Welsh Government Social Housing Grant	40,878	50,465	40,878	50,465
Welsh Government ORP Grant	-	553	-	553
Welsh Government Rent to Own Grant	-	-	-	-
TOTAL	88,393	121,478	87,254	119,109

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

16. PENSION

Adra participates in three pension schemes:

Local Government Pension Scheme (LGPS)

The Gwynedd Council pension scheme is a defined benefit scheme based on final pensionable salary. Certain Adra employees participated in the scheme prior to the stock transfer and as such, assets or liabilities attributable to these individuals were identified at the transfer date i.e. 12 April 2010. As part of the transfer agreement, liability for the proportion of the debt attributable to these employees that relates to the pre-transfer period rests with Gwynedd Council. The gains and losses recognised by Adra therefore relate solely to the transfer period.

The most recent valuation as at 31st March 2025 was carried out by independent actuaries to the scheme to reflect the requirements of FRS102 in order to assess the liabilities of the fund at 31st March 2025. Liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities discounted to their present value. Adra's contribution rate from 1st April 2024 to 31st March 2025 was 17.8% of members' pensionable pay. (17.8% in 2023/24).

The valuation as at 31st March 2025 in a net asset value of £18.99m, a further independent asset ceiling test was undertaken to ascertain the amount of the net pension asset that can be recognised in the financial statements.

In preparing the valuation as at 31st March 2025, the independent qualified actuaries have stated that no adjustments have been included in light of the Virgin Media v NTL Trustees case, there is insufficient information to be able to quantify the potential impact

The principal assumptions used in updating the latest valuations of the fund for FRS102 purposes were:

Average Future Life Expectancy at Age 65	Males	Females
Current Pensioners	20.6 years	24.4 years
Future Pensioners	22.0 years	25.7 years
	% per annum	% per annum
	2025	2024
Pension Increase Rate	2.75%	2.75%
Salary Increase Rate	3.25%	3.25%
Expected Return on Assets	5.80%	4.85%
Discount Rate	5.80%	4.85%

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	% per annum 2025	Market Value 2025 £'000	% per annum 2024	Market Value 2024 £'000
Expected Return on Assets				
Equities	5.80%	27,748	4.85%	25,119
Bonds	5.80%	3,842	4.85%	3,190
Property	5.80%	2,134	4.85%	2,791
Cash	5.80%	8,965	4.85%	8,772
		42,689		39,872

The following amounts were measured in accordance with the requirements of FRS102:

	2025 £'000	2024 £'000
Fair Value of Employer Assets	42,689	39,872
Present Value of Defined Benefit Obligation	(23,694)	(28,088)
Asset ceiling restriction	(18,995)	(11,784)
Total Scheme Asset / (Liability)	0	0

The Gwynedd Council Pension Fund has a gross accounting surplus at the reporting date of £18.995m. In line with FRS 102 requirements Adra has recognised as 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 provided a calculation of the economic benefit arising to Adra from reduced contributions in the future. This amounts to £0. Accordingly, Adra has recognised the plan surplus to this extent, reducing the pension asset by £18.995m, and reducing actuarial gains by the same amount.

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 March 2025

	Assets	Obligations	Net Asset / (Liability)
	£'000	£'000	£'000
Fair Value of plan assets	39,872		39,872
Present Value of funded obligations		28,088	(28,088)
Effect of the asset ceiling			(11,784)
Opening Position as at 31 March 2024	39,872	28,088	0
Current Service Costs		1,253	(1,253)
Past Service Costs	-		
Total Service Cost		1,253	(1,253)
Interest Cost on Defined Benefit Obligation		1,383	(1,383)
Interest Income on Plan Assets	1,957		1,957
Interest on the effect of the asset ceiling			(572)
Total Net Interest	1,957	1,383	2
Total defined benefit cost recognised	1,957	2,636	(1,251)
Participants contributions	537	537	-
Employer contributions	1,385		1,385
Benefits paid	(879)	(879)	-
Expected closing position	42,872	30,382	134
Changes in Financial Assumptions		(6,378)	6,378
Changes in demographic assumptions		(47)	47
Other experience		(263)	263
Return on assets excluding amounts included in net interest	(183)		(183)
Changes in the effect of the asset ceiling			12,356
Total remeasurements	(183)	(6,688)	18,861
Fair Value of plan assets	42,689		42,689
Present Value of funded obligations		23,694	(23,694)
Effect of the asset ceiling			(18,995)
Closing Position as at 31 March 2025	42,689	23,694	0

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Social Housing Pension Scheme (SHPS)

Adra also offers a Defined Contribution scheme via SHPS. The scheme had 163 active members as at 31 March 2025. Employer contributions in the year totalled £322,701. As this is a defined contribution scheme, Adra's liability is limited to the value of the contributions made.

The People's Pension

Adra operates a Defined Contribution for 2 employees that transferred to Adra via a TUPE undertaking. Employer contributions in the year totalled £2,597. As this is a defined contribution scheme, Adra's liability is limited to the value of the contributions made.

17. KEY MANAGEMENT PERSONNEL REMUNERATION

Consolidated and Association	2025	2024
	£	£
The aggregate emoluments paid to or receivable by non-executive Directors and former Directors	56,788	60,517
The aggregate emoluments paid to or receivable by executive Directors and former Directors	851,610	663,587
The emoluments paid to the highest paid Director excluding pension contributions	169,877	157,322
The aggregate amount of any compensation paid to Directors or former Directors during the year of account.	-	-
The aggregate amount of Directors or past Directors' pensions, excluding amounts payable under a properly funded pension scheme.	-	-
The aggregate amount of any consideration payable to or receivable by third parties for making available the services of a Director.	-	-

Adra has paid its Non-Executive Directors (Board Members) since January 2019. The annual remuneration levels for eligible Board members was reviewed and set from 1st January 2025 as £10,500 for the Chair, £6,200 for the Vice-Chair and Committee Chairs, and £5,000 for all other members.

ADRA (TAI) CYFYNGEDIG

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The Chief Executive is an ordinary member of the pension scheme. The Chief Executive's pension is a defined benefit scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements.

Key management personnel are defined as the members of the Board, the Chief Executive and any other person who is a member of the Executive Leadership Team or its equivalent.

18. EMPLOYEE INFORMATION

Consolidated and Association	2025		2024	
	Number	Average Number	Number	Average Number
The number of persons employed during the year expressed in full time equivalents (37 hours per week) was:				
Office staff	281	246	266	241
Manual Staff	144	133	137	125
Wardens, caretakers & cleaners	9	7	7	6
TOTAL	434	386	410	372

	2025	2024
	£'000	£'000
Wages and Salaries	13,799	12,622
Social Security Costs	1,387	1,247
Pension Costs	1,715	1,517
LGPS Pension Movement (Note 16)	(132)	41
TOTAL	16,769	15,427

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Number of key management personnel whose remuneration (i.e. including pension) exceeded £50,000 in the period:

	Number	
	2025	2024
£110,001 to £120,000	2	-
£120,001 to £130,000	-	3
£130,001 to £140,000	1	
£140,001 to £150,000	2	-
£160,001 to £170,000	-	-
£170,001 to £180,000	-	1
£180,001 to £190,000	-	-
£190,001 to £200,000	1	-

19. ANALYSIS OF CHANGES IN NET DEBT

Consolidated and Association	At the Start of the Year £'000	Cash Flows £'000	Non-Cash Movements £'000	At the End of the Year £'000
Cash and Cash Equivalents	10,731	(8,268)	-	2,463
Loans Due in One Year	-	-	(1,360)	(1,360)
Loans Due after One Year	(189,746)	(8,872)	1,360	(197,258)
	(179,015)	(17,140)	-	(196,155)

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

20. OPERATING LEASES

Adra holds properties, vehicles and office equipment under non-cancellable operating leases. As at 31 March 2025, commitments of future minimum lease payments were:

Consolidated and Association	2025		2024
	£'000	£'000	£'000
Land and buildings:			
Within the next year	147		134
In the second to fifth years	457		527
In more than five years	<u>52</u>		<u>78</u>
		656	739
Others:			
Within the next year	4		4
In the second to fifth years	1		5
In more than five years	<u>-</u>		<u>-</u>
		<u>5</u>	<u>9</u>
		<u>661</u>	<u>748</u>

21. TAXATION STATUS

The Association has charitable status.

22. ACCOMMODATION OWNED, MANAGED AND IN DEVELOPMENT

Consolidated and Association	2025	2024
Under management at end of year:	Number	Number
General Needs including Intermediate	6,650	6,543
Sheltered housing	432	393
Shared Ownership	18	18
Rent to Own	102	105
Market Rent	112	75
Managed on behalf of others	<u>11</u>	<u>5</u>
Sub-total - under management	7,325	7,139
Under development at end of year	<u>270</u>	<u>371</u>
Total	<u>7,595</u>	<u>7,510</u>

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

23. RELATED PARTY TRANSACTIONS

The Association’s Rules provide for a flexible Board size of between 9 and 12 Board Members (not including Co-optees). The Rules provide that two Members of the Board shall be Tenant Board Members, and also state that up to 24% shall be nominated by the Local Authority – with the remainder being Independents. At the year end, the Board comprised of 1 Tenant Board Members, 2 Members nominated by the Local Authority, 8 Independent Board Members, plus 1 Co-optee.

Each Tenant Member has a normal secure occupation contract and they were not able to use their position to obtain any advantage.

Total rent charged to tenants serving on the Board in 2024/25 was £10,429 (2024: £10,535). There were no arrears balance at year end. (2024: no arrears).

The transactions that occurred between Gwynedd Council and Adra during the year to 31st March 2025 are summarised as follows:

Invoices received from Gwynedd Council for services provided under normal commercial terms: £452,758 of which £6,447 (under normal 30 days payment terms) was outstanding as at 31st March 2025.

Invoices sent under normal commercial terms to Gwynedd Council totalled £605,851 (mainly in respect of Supporting People income and contributions towards capital works) with £67,795 owing to Adra as at 31st March 2025. A further £9,531,884 was received from Gwynedd Council for Housing Benefit contributions to 31st March 2025.

24. GRANT AND FINANCIAL ASSISTANCE

Consolidated and Association

The total accumulated government grant and financial assistance received or receivable at 31 st March 2025	Social Housing Grant / HFG2 / RTO	Energy Efficiency and Regeneration	Supporting People	Other
	£’000	£’000	£’000	£’000
Held as deferred capital grant	96,513	8,878	-	-
Recognised as income in Consolidated Statement of Comprehensive Income in year	(4,180)	(788)	390	-
	92,333	8,090	390	0

ADRA (TAI) CYFYNGEDIG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

25. GROUP UNDERTAKINGS

To help facilitate the growth of the services offered by Adra (including services that may be outside the core charitable objectives) the wholly owned subsidiary “Medra” was incorporated (after seeking appropriate permissions from the Welsh Government) and registered with Companies House in April 2017.

Due to challenging conditions, a decision to scale down operations was taken in 2023 when it was agreed that four schemes previously earmarked for Medra would be transferred to Adra. Medra retained one scheme of market sale properties to be developed which started on site in summer 2023. It is anticipated that the first property sales from this scheme (Hayfield) will happen in quarter three of the 2025/26 financial year.

Despite delays on the Hayfield site which led to considerable cost increases, the scheme is still considered viable and should result in a modest gross profit. However, the proceeds from the sale of the 14 units at Hayfield will not be enough to fully repay the loan received from Adra and cover the accumulated deficit on Medra’s reserves. It was therefore agreed by the Adra Board in March 2025 to write off £650,000 from the 2024/25 year-end loan balance.

The separate Medra 2024/25 Financial Statements will be filed with Companies House.

26. CONTINGENT LIABILITY

In March 2024 the Association became aware that some Registered Social Landlords may not have been fully compliant with potential legal obligations arising under the Renting Homes (Wales) Act 2016 (“the Act”) and the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022 (as amended) (“the Regulations”) during the year ending 31 March 2024. On identification of the issue, it is understood that these landlords took immediate steps to ensure full compliance with legal obligations as is currently understood.

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.