

Annual report and financial statements 2023/24

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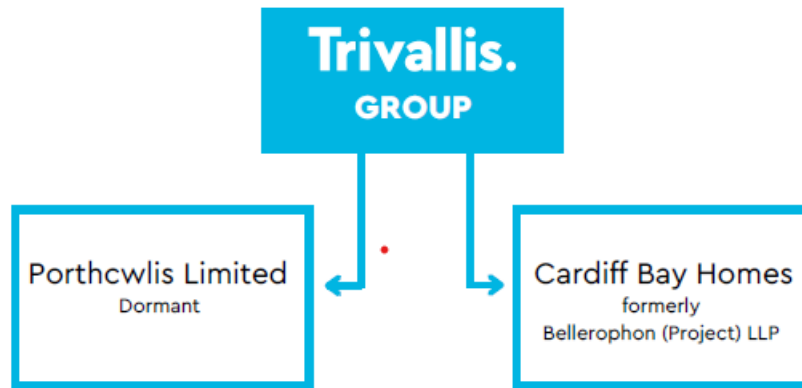
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We are Trivallis

Trivallis is a charitable housing association that offers affordable housing and services to families and individuals in Rhondda Cynon Taff and Cardiff Bay.



We manage over 10,000 properties, providing homes for about 25,000 people, along with high-quality tenancy support services. We are a major employer and work with local contractors who share our commitment to improving the wellbeing of our communities and residents.

We are far more than just a landlord. We operate as a *Community Mutual*.

- Owned by our tenants
- Collaborative working between tenants, staff, and local partners
- Firmly rooted in our communities
- Involving the people who are affected by our decisions

Performance highlights in 2023/24

Fire safety compliance %	100%
Statutory compliance %	99.3%
Emergency repairs completed on time %	96%
Satisfaction with repairs %	84%
Overall customer satisfaction	77%
Housing allocations going to people at risk of homelessness	65%
Tenant income increased through Money Advice services	£4m
Spend with contractors in South-East Wales	£34m
No. of homes receiving accessibility adaptations	434

Our values

1. Trustworthy

We hold trustworthiness as a fundamental pillar of our culture. Trust is not only something we aim to earn from our tenants, colleagues, and community; it's also a value we exhibit in all our actions and interactions.

2. Kind

Kindness is at the heart of everything we do. We believe that by practicing kindness in our daily interactions, we create a supportive and compassionate environment for our tenants, colleagues, and community.

3. Progressive

We define progress as an unwavering commitment to continuous learning, innovation, and adaptability. We actively seek opportunities for improvement, embrace change, and encourage the development of our colleagues, always staying ahead of the curve.

4. Inclusive

We believe in a culture of inclusivity that values every person's unique perspective, needs, and contributions. We commit to treating all staff and tenants with respect, embracing diversity, and actively seeking input from every corner of our community.

Core priorities

A great landlord: Delivering excellent landlord services and performing to exceptional standards.

A great employer: We strive to be a preferred employer, offering excellent opportunities, a supportive workplace, and fair conditions to our staff and volunteers. We commit to paying the Real Living Wage and providing support and training to volunteers.

Focused on sustainability: We make decisions that support our organisation's long-term financial stability and work to reduce our impact on the climate. We work with residents to minimise climate change impact within communities.

Committed to inclusion: Our company culture is inclusive and welcoming. We support equality, diversity, and fairness in decision-making, service delivery, recruitment, and management.

Tackling poverty: We recognise the impact of poverty in our communities and actively work to reduce it through team effort with partners and communities.

Always learning: We value continuous learning, encourage employees to acquire new knowledge and skills, and promote a culture of openness, collaboration, and innovation. We learn from our own experiences, our communities, and seek good ideas from elsewhere to improve our organisation.

Legal information

Welsh Government Registration Number L143, CBS Registration Number 30261R.

A Registered Society under Co-operative & Community Benefit Societies Act 2014.

Registered address: Trivallis, Ty Pennant, Mill St, Pontypridd CF37 2SW.

Company Secretary

Lisa Pinney (appointed 01/06/2023)

Executive Leadership Team

Duncan Forbes, Chief Executive (appointed 01/07/2022)

Keiron Montague, Executive Director Communities (appointed 09/03/2022)

Lisa Pinney, Executive Director Resources (appointed 01/05/2023)

Kate Jones, Executive Director of People (appointed 01/04/2024)

Bank

Lloyds Bank plc, Market Square, Pontypridd, CF37 2TF

Funders

Lloyds Bank plc, 25 Gresham Street, London, EC2V 7HN

External Auditor

Haines Watts Wales LLP, Neptune Court, Vanguard Way, Cardiff, CF24 5PJ

Internal Auditor

Mazars LLP, 45 Church Street, Birmingham, B3 2RT

Subsidiary Companies:

Cardiff Bay Homes LLP

OC391633

Registered in England & Wales

Active

Porthcwlis Limited

07994420

Registered in England & Wales

Dormant

Statement from the Chairman of the Board

Nick Beckett, Chairman of the Board

Welcome to our annual report for 2023/24. As Chair of the Board, I am delighted to present the progress and achievements of Trivallis over the past year.

This last year has been one of real progress. Not only have we come out of our voluntary undertaking with the regulator - with green ratings for governance (including tenant services) and financial viability - but we have built strong foundations for the future.

At the heart of our success lies the invaluable contribution of our tenants. Their involvement, feedback, and dedication have been instrumental in shaping our approach and improving the quality of our services. It is their voices that guide our decisions and inspire us to do better every day.

During the year I've met many members of staff and am always amazed by their commitment to Trivallis, and more importantly our tenants. My highlight was being present at the long service awards and talking to staff with over 40 years' experience, still as keen and as enthusiastic as the day they started. Our committed staff base and good reputation have drawn increased interest from talented people seeking to join our organisation. This influx of talent holds promise for both the organisation and the communities we serve.

In my role as Chair this year, I have seen the transformation of our Board into a highly effective team. The debate and discussion at each meeting consistently prioritise the wellbeing of both our tenants and staff, underscoring our commitment to inclusive decision-making processes.

I am genuinely excited about the future and would like to thank every one of you for the incredibly valuable work you do. As we navigate the challenges and opportunities ahead, I am confident that the partnerships between our tenants, staff and community stakeholders will continue to flourish. Together, we will strive to create homes and communities where everyone feels valued, respected, and empowered to thrive.

Statement from the Chief Executive

Duncan Forbes, CEO

It is a great privilege to work with such a great team of people; the Trivallis Board, our involved tenants and my staff colleagues, all working together for the benefit of our communities in Rhondda Cynon Taff and Cardiff Bay. In recognition of the contribution that our involved tenants make to our work and our priorities, we will be publishing a separate report on the impact our involved tenants have had on the services we provide during 23/24.

During 2023/24 I am proud to say we have seen a marked increase in tenant satisfaction. This is a credit to the hard work and commitment of all our staff and involved tenants alike.

The safety of our tenants and their households is our top priority and we have maintained our excellent record on safety issues as well as continuing to invest heavily in fire safety improvements. Overall, we have carried out improvements to nearly 1,000 tenants' homes during the year through our capital investment programme and have also made steady progress in improving our repairs service.

The Board has now approved our Strategic Framework and our Communities Strategy. We are really excited by the changes we plan to make and the projects we want to deliver. As well as significantly

expanding our development programme and working to build a new village in Penrhys, our Communities Strategy gives us a clear direction for improving how we work with our tenants and our communities to maximise our impact over the next few years. We are here not just to provide high quality, safe and affordable homes but also make a major positive impact on the lives of people and their communities through the extra work we do supporting individual wellbeing and community development.

It is a real pleasure to be part of the Executive team alongside the Board and Tenant Action Panel working together for the future of Trivallis, and I am delighted that together we have achieved our fully compliant (Green) rating on governance and financial viability.

I would like to say a big thank you to the Board, my colleagues and all our involved tenants for all their contributions during the year.

Our homes

Our focus this year was on improving the quality, number, and suitability of our homes to meet the needs and improve the wellbeing of our communities.

Impact

Fire safety compliance %	100%
Water compliance %	100%
Statutory compliance %	99.3%
Emergency repairs completed on time %	96%
Repairs completed on first visit %	96%
Satisfaction with repairs %	84%
Number of repairs completed	47,349
Homes let during the year	541
Housing allocations going to people at risk of homelessness and in highest priority need	344
Voids at year end	146
Average void turnaround time	57.6 days
New boilers fitted	173
New kitchens fitted	292
New bathrooms fitted	306
New roofs fitted	170
New windows fitted	433
New doors fitted	509
Accessibility adaptations made to our homes	434
Number of homes improved through Optimised Retrofit Programme	58
Invested in planned programme 2023/24	£18.1m

Our homes at a glance

Figure 1: Total number of homes

General needs	9,446
Sheltered	635
Supported	66
Total	10,147

Figure 2: Areas of operation

Rhondda Cynon Taff	9,995
Cardiff Bay	152
Total	10,147

Affordable homes

We primarily allocate our homes through the Council's common allocation process. This prioritises people who are homeless or at risk of violence, living in overcrowded or poor housing conditions, or needing to move for health, disability, or welfare reasons.

- Collaborative efforts in 2023/24 facilitated swift placement of homeless individuals into stable homes.
- Once refurbished, it took on average 6.75 days to re-let our properties.
- During the year, 344 lettings were made to applicants assessed by the Local Authority as homeless and *in the highest priority need* (65% of total lettings).

Maintenance and repairs

We understand the importance of a safe, secure, and comfortable home. In 2023/24, we invested £31.7 million in maintaining and improving our homes. Our repairs team completed over 47,000 repairs, ensuring residents' homes are well-maintained. This team achieved a repairs satisfaction score of 84%.

We aim to complete emergency repairs within 24 hours and 96% of emergency repairs were completed within this timescale. We conducted annual home checks to spot issues early and acted on customer feedback promptly.

Recognising the increased focus on condensation, damp, and mould, we accelerated our efforts to address these issues. We invested in specialist surveyors to assess persistent problems with 19 high-priority open cases at year end. Live damp and mould cases at year-end decreased from 312 to 281, and the average days to close a DMC case improved from 39 to 35 days.

Safety and compliance

Our statutory compliance and safety measures have consistently outperformed sector standards. At year end, 100% of our homes have up-to-date gas safety certificates, surpassing the housing association average of 99.7%. Nearly all our properties (99.95%) have electrical safety certificates less than five years old, compared to the sector average of 98.84%. Throughout the year, our compliance in electrical, asbestos, gas, water hygiene, fire safety, and lifts has remained above 99%. We've installed 9,334 carbon monoxide alarms to meet new Renting Homes Act legislation, ensuring tenant safety. To enhance fire safety, we employed an in-house Fire Engineer and implemented measures like sprinklers to address building defects. We fitted sprinklers and evacuation alert systems in all buildings over 11 metres (totalling ten buildings) reducing fire risk and reassuring tenants and the Welsh Government. Our Fire Safety Team provided advice and safety equipment to nearly 100 vulnerable or disabled customers, ensuring their safety at home. As of 31 March 2024, all 9,935 self-contained homes assessed for Welsh Housing Quality Standard (WHQS) compliance met the standards, achieving 100% compliance, taking into account acceptable fails due to resident choice or physical constraints.

Planned improvements

We're always working on making our homes better through our planned improvements programme.

- We invested £18.1 million this year to improve homes, ensuring they were safe and up to date, with new high-quality kitchens and bathrooms.
- Additionally, we carried out 434 adaptations to enable people to remain in their homes longer despite health and disability changes.

Environmental sustainability

We recognise the importance of environmental sustainability and energy efficiency to minimise our impact on the environment and the climate crisis.

- We improved the energy performance and reduced the carbon footprint of our existing homes, with 87% having a rating of C or above
- We updated 58 homes for better heating and reduced environmental impact.
- These upgrades make the homes easier to heat and reduce their environmental impact.

Case study: Sandra's warmer home

Sandra has recently had life-saving thermal improvements made to her Trivallis home through Welsh Government's Optimised Retrofit Programme (ORP). Born and raised in Perthcelyn, Sandra still lives in her childhood home. With COPD, maintaining the right temperature is crucial for her health. Before the upgrades, she had to keep the heating high, which was expensive and triggered her coughing. Now, her home stays warm with lower heat, reducing her heating costs by half. Sandra feels more relaxed, happier, and proud of her home. Despite the disruption of the work, she believes it was worth it and would gladly do it again.

Carbon footprint

In 2021, we collaborated with SHIFT to assess our environmental performance and establish a carbon emissions baseline, aiming to become a more sustainable organisation and inform strategic planning. SHIFT has now provided a third report for 2023, allowing us to make year-on-year and peer-to-peer comparisons across the Housing Sector. This report helps us communicate our carbon footprint effectively with tenants and employees, raising awareness about behaviours and choices that benefit both the environment and our communities. We now have three years of carbon emissions data and benchmarking information to refine our carbon reduction planning.

Key findings:

- Total annual emissions: In 2023, our carbon emissions were 27,526.21 tonnes CO₂e, a reduction of 517.24 tonnes from the 2021-22 baseline.
- Housing stock emissions: Independently heated homes contributed approximately 25,439.69 tonnes CO₂e per annum, while communally supplied homes added a further 1,139.63 tonnes CO₂e.
- Combined, these accounted for about 97% of our total annual emissions.

Next steps:

- Assess key areas for 2024/25: Focus on decarbonisation, affordable warmth, resilience to climate change, and enhancing biodiversity.
- Continue partnering with SHIFT: Leverage their expertise to define, develop, and deliver an environmental sustainability plan aligning with our corporate objectives, ESG reporting, and a climate-resilient strategy.
- Work with the Welsh Government: Explore how ORP funding can support our decarbonisation goals.
- Embed decarbonisation: Integrate decarbonisation into our fleet and all business operations where practical.

By looking at the data and benchmarking insights from three years of reporting, we can identify key improvement areas and continue our progress towards becoming a more environmentally responsible organisation.

Regeneration programmes

We're revitalising neighbourhoods with our major regeneration projects. This year, we've achieved several important milestones.

- In September 2023, we began the search for partners to re-develop Penrhys, aiming to create a modern and inclusive community.
- At Cae Fardre estate in Church Village, we worked closely with the Police and Local Authority partners to redesign public spaces and improve safety by opening up communal spaces and removing old garages.
- In Mitchell Court, Tonypany, we collaborated with residents to relocate them to more suitable properties, ready to replace buildings with new affordable homes.
- Refurbishment work started on four tower blocks in Cardiff Bay to meet modern standards.

Our tenant services

We're dedicated to supporting our tenants and making their experience with us a positive one.

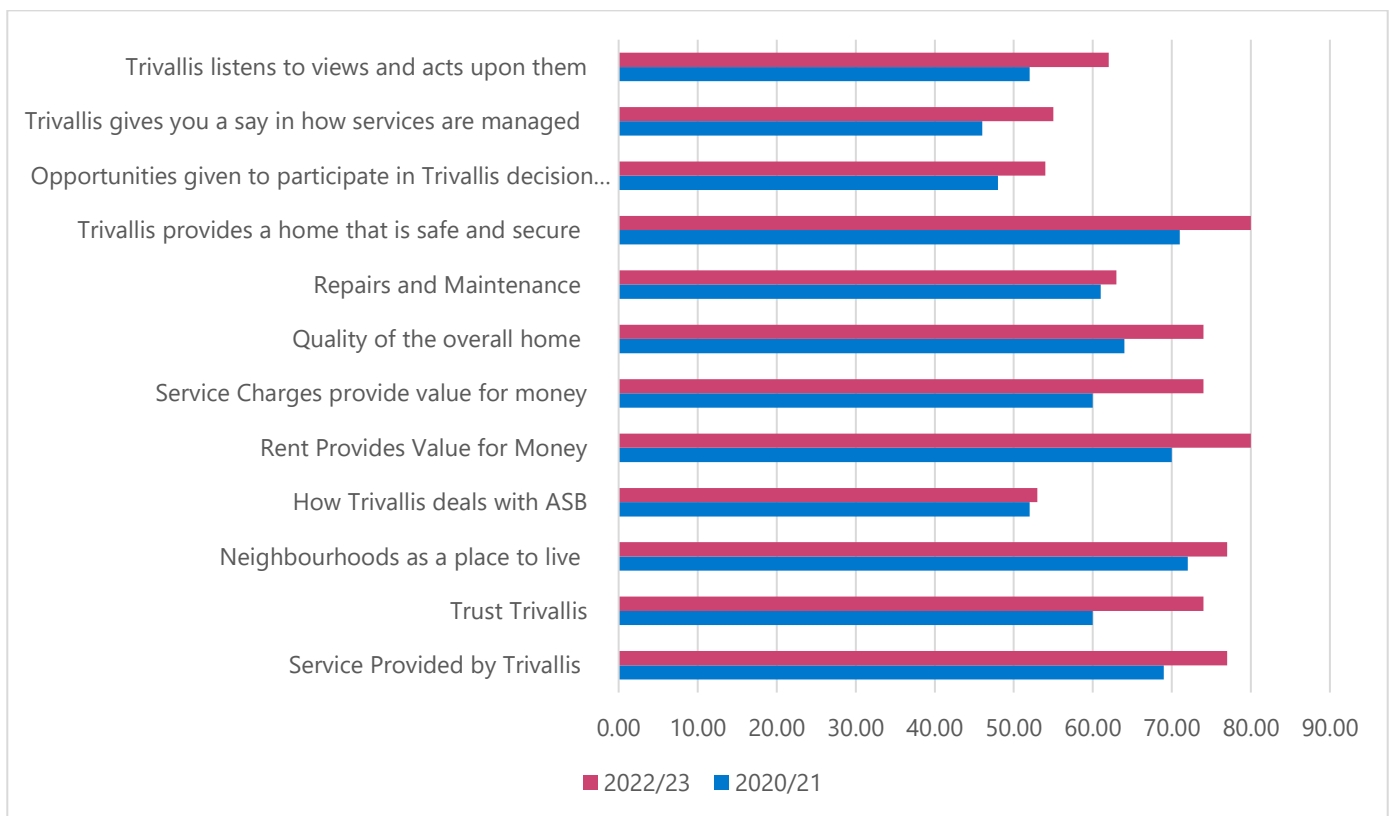
Impact

Contact centre calls received	95,298
Contact centre calls answered %	89%
Calls resolved at first contact %	78%
Customer satisfaction	77%
People completed benefit reviews	371
Tenants helped to get Discretionary Housing Payments	132
Tenants received Universal Credit advice	254
Victims of domestic violence and abuse supported	376
Safeguarding referrals made to protect children and vulnerable adults	40
Tenant income increased through Money Advice services	£4,255,521
People referred to other support programmes within Trivallis	4,283

Customer satisfaction

We had identified improving tenant satisfaction as a key objective for the year and supported this objective by developing a detailed action plan covering all service areas. As a result of this work this year tenant satisfaction rose to 77%. Our performance improved across all areas measured by the annual survey of tenants and residents (STAR).

Survey of tenants and residents (STAR) results



Source: Housemark (% of Trivallis tenants who agreed with each statement)

Wellbeing programmes

We continued to run support programmes for individual tenants and people living in RCT.

- Getting ready to start a tenancy and understanding what this means (GRAMO)
- Managing money, benefits, and your household budget (Money Advice, SAFE and STEPS)
- Preventing homelessness (SAFE and STEPS)
- Settling into a home and making friends in the neighbourhood (SAFE and STEPS)
- Keeping your home safe and uncluttered (MAGPIE)
- Arranging appointments and accessing other helpful services (SAFE and STEPS)
- Filling out forms, reading mail and writing important letters (SAFE and STEPS)
- Accessing leisure, skills, and employment opportunities (SAFE and STEPS)
- Support to stay independent (SAFE and STEPS)

Our SAFE team, funded by Rhondda Cynon Taff County Borough Council, provides support to prevent homelessness, including financial assessments. Our Money Advice Team (MAT) works to maximise tenant income, manage debt, and reduce rent arrears. Every participant in these programmes received a financial review to identify additional benefits and payments to increase their long-term income. Last year, the combined efforts of these teams increased income for tenants and community members by over £4.2million. We continued to offer a hardship fund to support tenants needing emergency, short-term financial help. We distributed food and utility vouchers totalling more than £126,000. Additionally, our MAGPIE service helps tenants manage hoarding, a complex issue often rooted in trauma, by removing items, completing deep cleans, and recycling. In 2023/24, MAGPIE helped 22 people improve their living conditions, enabling them to understand their behaviour and make progress at their own pace.

Case study: Mrs P boosts income with help from Trivallis money advice team

Mrs. P is now over £25,000 better off each year thanks to our Money Advice Team. It began when her Rent Account Manager noticed she was nearing state pension age and referred her to Sue Hoskins, a Money Advice Officer. Sue helped Mrs. P get her pension application code and complete the application. She also invited Mrs. P to a Money Advice drop-in for further support.

Sue conducted a benefit check and found Mrs. P was eligible for state pension credit, housing benefit, council tax reduction, and water bill assistance. This added up to £25,537.75 in additional annual income and savings.

Mrs. P expressed her gratitude, saying Sue made a significant difference in her life and encouraged others to seek help. Sue continues to support Mrs. P and emphasises the importance of accessing available support, noting every bit helps financially and emotionally.

Accessibility accreditations

Looking after our communities is vital, and this year we continued our excellence in supported housing.

- Accredited since 2010, our services meet EROSH Independent Living Standards, focusing on management, value, equality, personalisation, and safety. In 2023, we were first to be tested against new standards, earning high praise from assessors.
- Partnering with RNIB, we also improved Sheltered Housing for the visually impaired through the Visibly Better accreditation. This program helps staff make simple changes to enhance tenant independence. We have 14 schemes with the Gold award and eight with the Platinum award, showcasing our commitment to quality and improvement.

Our communities

This year we worked hard to embed our work within communities and progressed our community development approach.

Impact

Estates graded as gold standard	48%
ASB cases reported	606
% ASB cases resolved over year	92%
Spend with contractors in South-East Wales	£34m
Spend with contractors outside Wales	£10m

Tenant involvement

This year, our tenants and senior staff have worked together to enhance tenant involvement in key services that impact tenancy quality. Co-design and co-production of services included working groups and focus groups involving tenants and staff. The Tenant Action Panel oversees these efforts, fostering collaboration and ensuring tenant priorities shape services.

Consultation methods with our tenants included annual surveys, roadshows, estate walkabouts, and participation from Tenant and Resident Associations to ensure tenants' voices are heard. Around 500 tenants engaged in regular surveys, and a successful 'question of the month' initiative gathered significant feedback. This involvement has improved communication, trust, and tenant satisfaction, which rose from 71.2% in 2022 to 77% in 2023.

Community roadshows

During Summer 2023, we held five Community Roadshows throughout neighbourhoods in Rhondda Cynon Taff.

- We connected with our tenants to understand their priorities and find out what was important. We've used the feedback to shape the services that we deliver.
- Many of our partners attended the roadshows, providing advice for our tenants on the cost-of-living crisis and other challenges.

Great estates

We put in a dedicated effort in 2023/24 to make sure our estates are great places to live, where people can rely on their neighbours and feel a sense of belonging. One such area was the Cae Fardre estate where we rearranged public spaces on the estate, with the aim of reducing anti-social behaviour (ASB). Working alongside partners such as the Police and Local Authority, this included making more open spaces, improving visibility, and limiting access to private areas and unsafe paths. We also demolished garage blocks. By removing these hangouts, we opened up the spaces, making the pathways behind them safer to use. During an estate day in February 2024, we worked with residents to clean communal spaces and remove waste. These changes will help prevent problems and make the estate a nicer place to live for everyone.

Charity partnership

In 2023 our staff and tenants chose our new charity partner for 2023 – 2025. Local charities were invited to apply, and the shortlisted charities were interviewed by our Charity Partner Group. A final vote was then held and staff and tenants, and in May 2023 our new partner was revealed as Valleys Kids. Our target is to raise £4k over the 2-year partnership and to date we have raised £1,603.

Social value

Our procurement with local businesses not only preserved jobs but created additional social value for the local economy. We played a pivotal role in poverty reduction and the advancement of local prosperity.

- £34million spent with contractors based in South-East Wales, 77% of our total spending
- £10million spent with contractors outside Wales, 22% of our total spending
- 53% of contractors are SMEs

Our people

We worked hard to become an employer of choice and ensure our staff provide excellent service to our tenants.

Impacts

Completion of statutory and mandatory training	98%
Days were spent on leadership and management development	1,827
£ invested in learning and development	£160,000

Staff engagement

Our team is committed to making a difference by providing affordable homes and services for our tenants. We celebrated their achievements with events like our long service awards in February 2024, where over 100 colleagues received awards, some with over 40 years' service. Our shared purpose is reinforced by regular updates from our Chief Executive, Duncan Forbes, and interactive sessions where the Executive Team addresses questions from colleagues.

This year, we launched a new intranet site, offering a platform for colleagues to access information and share news. We value openness, communicating honestly about our challenges and celebrating successes.

High quality jobs

We work hard to be a quality employer in RCT, fostering a work environment where employees feel valued, respected, and supported. We're certified as a living wage employer, guaranteeing our employees earn a wage sufficient for a decent standard of living.

- 456 people employed directly by Trivallis
- 76% of staff live in Rhondda Cynon Taff

Inclusion

Our vision is to be truly inclusive, allowing everyone to be themselves, raising awareness, and recognising the immense benefits of our diverse community. At the 31 March 2024 our colleague statistics can be summarised as follows:

Ethnic origin	White	416	91%
	Black, Asian and minority ethnic	7	2%
	Undeclared	31	7%
	Prefer not to say	2	0%
Gender	Male	249	55%
	Female	207	45%
Disability	Yes	26	6%
	No	430	94%
Sexual orientation	Bisexual	6	1%
	Gay (man or woman)	12	3%
	Heterosexual	380	83%
	Undeclared	45	10%
	Prefer not to say	13	3%
Religion	Christian	131	29%
	Other Religion	6	1%
	No religion	253	55%

	Undeclared	52	11%
	Prefer not to say	14	3%
Age	16 - 19	3	1%
	20 - 29	62	14%
	30 - 39	120	26%
	40 - 49	117	26%
	50 - 59	115	25%
	60 - 64	23	5%
	65+	16	4%

Our focus has been on embedding good EDI (Equity, Diversity, and Inclusion) practices across the organisation. We've partnered with Diverse Cymru, with each function undergoing an accreditation process. This has included training 24 people in each area, with plans to extend this to all colleagues next year. The EDI action plan is monitored by an EDI working group and overseen by the People Committee. We've introduced mandatory EDI training for all colleagues, and it is a key theme in our internal training, including our managers' Brilliant Basics course and recruitment training. We're also exploring ways to engage with diverse community groups to encourage job applications. Our employability plan is in progress, and we've developed a set of values and behaviours with input from all colleagues to emphasise the importance of inclusion. Colleagues have been making values pledges, reinforcing our commitment to EDI.

Wellbeing

Supporting colleague wellbeing is part of our core practices. During the year, we signed the Mind Mental Health at Work commitment and completed the Mind Wellbeing Index survey, which all colleagues had the chance to participate in. The results will help inform a new Mental Health and Wellbeing Plan. Additionally, colleagues in our Neighbourhoods team attended a Mind course to enhance their understanding of mental health issues, whilst Managers taking part in our Brilliant Basics development programme also covered this topic.

Our Employee Assistance Programme offered access to counselling services and helped colleagues with medical bills. Our staff wellbeing group supported several mental health awareness campaigns during the year.

Health and safety

The Health and Safety (H&S) Team has evolved significantly this year. With the addition of a new H&S Advisor and the integration of the Fleet function, we have seen positive outcomes. Lost time injuries and reportable injuries to the Health and Safety Executive have decreased, thanks to 98% completion of mandatory H&S training. Training was provided to the Board, and a new H&S training and occupational health provider was secured. We conducted vehicle and site safety checks, including a safety assurance day attended by the Chief Executive. A new leased fleet will be delivered in 2024, and a tested fleet management system will enhance efficiency and ensure speeding and vehicle incidents are managed consistently and fairly for all staff.

Learning and development

Our people are our most valuable resource, essential for our mission to provide homes for those in need. We help them grow in their careers with a learning and development programme that includes classroom learning, apprenticeships, online courses, and support for professional qualifications.

- 1,827 days were spent on leadership and management development during the year.
- 1,285 days were spent on health and safety, technical, mandatory and statutory, customer service and finance training.

- We invested £160,000 in learning and development activities.

Our data and digital systems

We used ICT and data to support our ambitions and invested in new ICT infrastructure.

Digital systems for customers

At the end of March 2024, we launched a new website. It has two new features: a self-service portal (My Trivallis) where tenants can ask questions, check repairs, pay rent, and update details; and a postcode tool to find their housing officer, drop-in surgery, and estate inspection details. Further functionality is in development. We're teaming up with Digital Communities Wales to ensure all tenants can use these tools.

Internal systems development

To improve the efficiency and security of our digital processes, we invested significantly in several systems during the year:

- Dynamics Business Central for finance.
- Fire doors works management
- Disrepair case management
- Star customer satisfaction surveys automation
- Continuous improvement projects for neighbourhoods, rents, complaints, taking end-user feedback to improve functionality and end user experience
- Health and safety data centralisation

Cyber security

We have continued to take steps to protect our organisation from cyber threats. During the year, independent experts undertook a review of our IT systems to identify risks.

Already compliant with Cyber Essentials, we began working towards Cyber Essentials Plus. We remain committed to keeping our data and systems safe from cyber-attacks, giving customers and partners confidence in our security practices.

Value for money

Affordable rents

In February 2024, the average private rent in Great Britain was £1,238, a 9.0% increase from the previous year. The RCT area's average rent increased by 10.4% to £629, while we had an average rent of £445. To ensure fair and affordable rents for our tenants, a rent-setting policy based on the Joseph Rowntree Foundation's affordable rents model was implemented in April 2019. The Living Rent methodology, adjusted for income differences across Rhondda Cynon Taff, links rents to tenants' ability to pay. This policy includes tenant engagement and an Equality Impact Assessment, which showed that self-payers, particularly those aged 30-64 and in marriages or civil partnerships, would be most impacted by rent increases. To mitigate these impacts, we developed an action plan with targeted engagement, money advice support, early intervention for arrears, independent support from Citizen's Advice, and a hardship fund. Despite these measures, tenant arrears rose slightly to 3.43% in 2023/24, totalling £1,811,685, an increase from the previous year.

Value for tenant

Our goal is to be a sustainable social enterprise that balances cost and efficiency to provide the best financial and social value for our customers, homes, and communities.

In 2022 we formed a working group to focus on value for money (VFM) which promotes VFM, identifies savings, manages procurement and contracts, and ensures budget efficiency. During 2023/24 we achieved cost avoidance savings of £1,939,130 and tangible savings of £1,083,400.

Benchmarking our performance helps us continually improve our services and provides a reference point for implementing and managing change within the organisation. We compare our performance with our peers through the Global Accounts and Welsh Government Business Continuity Returns.

Measure	2024	2023	Sector average 2023
Routine maintenance cost per unit (£)	£1,360	£1,182	£1,392
Major repairs (capital & revenue) cost per unit (£)	£1,935	£1,552	£1,085
Arrears per social housing unit (£)	£469	£464	£299
Growth in turnover (%)	5.69%	4.88%	5.4%

We recognise the impact of the cost-of-living on our tenants and this is reflected with the growth in turnover of 5.69%, which is lower than the Welsh Government capped social rent increase of 6.5%. This also reflects the position of the prior year with an increase of 4.88%, which was well below the sector average.

Tenant arrears have increased year on year and are higher than the sector average, reflecting the challenges on our tenants following the cost-of-living crisis. We have taken significant steps to support our tenants, with keeping the rent increases below the Welsh Government recommended increase (6.5% for 23/24). However, due to the uncertainty around arrears performance, we have seen an increase in the level of financial provision year on year.

Both routine and major repairs have seen an increase in costs year on year, which is being impacted by the increase in material costs seen across the sector. Alongside this we have also increased our investment in

the component replacement programme year on year to ensure that we continue to remain compliant with WHQS and safety standards.

Financial performance

The results demonstrate our growth in turnover and reserves each year, supported by positive cash generation. The financial challenges faced are the same as others in the sector including areas such as inflationary pressures on costs, increased demand for repairs and maintenance, pressure on tenants in terms of the cost-of-living crisis. Having a well-managed financially resilient position is key to us being able to fulfil our ambitions and strategic objectives. Our balance sheet capacity is stressed each year through scenario testing and continues to demonstrate capacity to withstand any unexpected shocks.

Statement of comprehensive income	2024 £M	(Restated) 2023 £M	2022 £M	2021 £M	2020 £M
Turnover	63,683	60,254	57,674	56,730	56,139
Operating surplus	9,334	7,437	11,770	12,023	6,651
Operating margin	14.7%	12.3%	20.4%	21.2%	11.8%
Surplus on ordinary activities before tax	6,715	2,916	5,701	9,518	4,944
Margin before tax	10.5%	4.8%	9.9%	16.8%	8.8%
Interest cover (ebitda)	395.8%	483.2%	502.9%	615.7%	589.4%
Interest cover (ebitda mri)	136.9%	185.7%	230.7%	414.5%	339.6%

Statement of financial position	2024 £M	(Restated) 2023 £M	2022 £M	2021 £M	2020 £M
Fixed assets	209,156	195,874	190,905	186,395	182,185
Net current assets / (liabilities)	23,258	23,932	17,767	15,919	5,097
Long term creditors	(42,989)	(37,458)	(41,181)	(50,125)	(41,905)
Loans	(50,000)	(49,728)	(49,527)	(53,456)	(53,352)
Reserves	139,425	132,620	117,964	98,733	92,024
Gearing	49.6%	47.1%	54.1%	69.8%	83.1%

Statement of cash flows	2024 £M	(Restated) 2023 £M	2022 £M	2021 £M	2020 £M
Net cashflow from operating activities	16,903	19,630	23,939	23,172	17,336
Net cash from investing activities	(14,768)	(13,277)	(14,132)	(8,695)	(8,687)
Net cash flow from financing activities	(3,576)	(3,525)	(7,849)	(3,506)	(3,605)
Inflow / (outflow) of cash	(1,441)	2,828	1,958	10,9701	5,044

Treasury management

Our Finance and Investment Committee oversees our treasury management activities, which are defined as, 'The management of the organisation's investments and cash flows, its banking, money market, capital markets and derivative transactions, and its security portfolio; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'

It also oversees our treasury strategy, treasury management policy and the treasury risk parameters. Our golden rules, which are more stringent than covenant levels, ensure that we make decisions which are prudent and protect the organisation, ensuring there is a safe margin at all times.

Where facilities include financial covenants, these are based on interest cover, gearing (how much of the company's operations are funded by debt compared to equity) and asset cover (how many times we could repay our debt if we liquidised our assets).

All golden rules were complied with, all covenants were met during the year, and our long-term business plan forecast ongoing and continued compliance with covenants throughout the duration of the plan.

Available liquidity

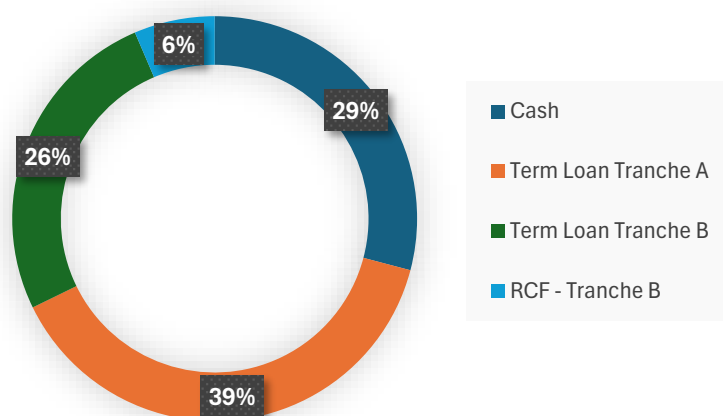
At 31st March 2024, we had £22.6 million of cash (2023: £24.0 million), and immediately available debt funding of £5 million (2023: £30 million), with current drawn funding totalling £68.9 million (2023: £67.9 million).

Sources of finance and their maturity profile

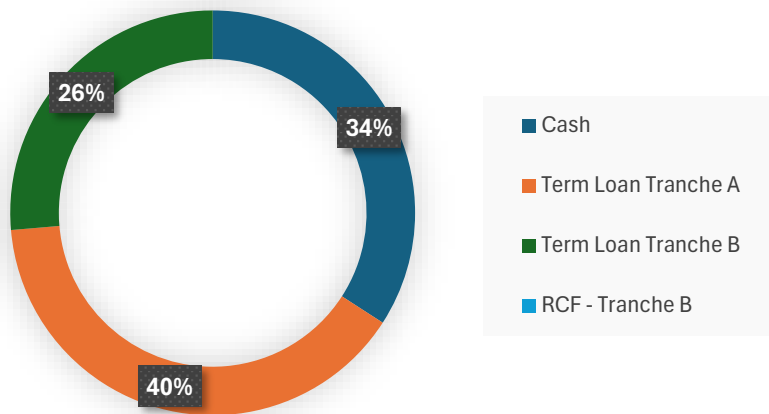
We hold a portfolio of financing comprised of both term loans and revolving credit facilities (RCF). However, the portfolio is increasingly short dated, with the majority of facilities maturing by 2030, therefore we currently hold some refinancing risk.

During the financial year we have seen some of the debt mature reducing the availability of funding. However, on 6 June 2024 we agreed new funding to replace the existing facilities. This has resulted in a new £25 million term loan with a 15-year maturity profile, and a £50 million revolving credit facility with a 5-year maturity profile, removing the refinancing risk.

Available financing £'000



Drawn funding £'000



Governance

The Board

The Board governs our housing association and sets our strategic direction. They receive reports on our progress, successes, and challenges. Each Board member helps us meet our goals and comply with legal and regulatory requirements.

Together with the Executive Leadership Team, the Board leads strategic planning and oversees our activities, with the Chief Executive handling operational management. The Board ensures our governance evolves with changing conditions and regularly assesses its skills.

The Board has eleven members, including one co-opted, with expertise in governance, strategy, finance, property, and housing management. Members serve three-year terms, up to nine years in total. Key decisions are reserved for the Board, while other responsibilities are delegated to Committees, the Chief Executive, or the Executive Leadership Team.

Matters reserved to the Board:

- Determining the strategic direction of the Group and setting out its mission, vision, and values
- Setting the overall strategy and Group plan
- Monitoring financial viability and control
- Monitoring performance and service delivery
- Setting risk appetite and managing control
- Governance and the system of delegation
- Accountability of stakeholders

Board meetings

The Board meets at least six times a year to make major Group decisions and review progress against approved plans.

Board Chair

The Chair of the Board leads the Group, collaborating closely with the Chief Executive. The Chair ensures the Board works well, has a clear strategy, defines management authority, and maintains external relations. The Chair also conducts the annual appraisal of the Chief Executive.

Senior Independent Director

The Senior Independent Director (SID) supports the Chair and serves as a go-between for other directors, offering experience and insights. The SID is available to help resolve conflicts and address concerns about the Chair, Chief Executive, or other Board members.

Board resignations 2023/24

One Board Member resigned during this financial period.

Gaynor Morris-Jones - Co-opted Board Member

Appointed: 23/05/2023 Resigned: 19/09/2023

Board Remuneration

Supported by an independent review and benchmarking exercise, Board remuneration is as follows:

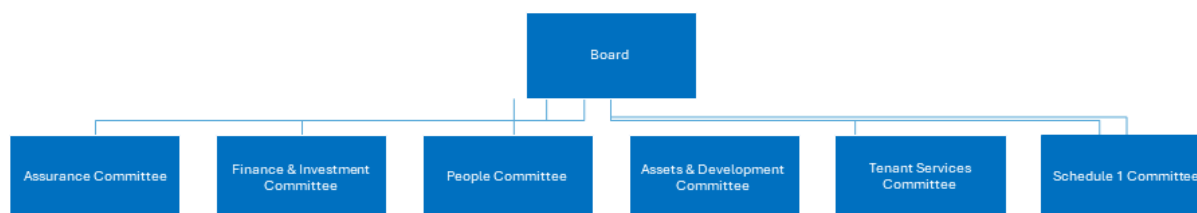
- Board Chair - £12,000
- Vice Chair, Chair of Committees - £7,250

- Board members and Co-optees - £5,000
- Independent Committee co-optee - £3,000
- No remuneration is made to Council nominees

As approved by the Board, remuneration will be reviewed every three years by the People Committee who will consider benchmarking with support from an independent third party, before making recommendations to the Board for consideration.

Our Committees

The Board is supported by six Committees:



The Assurance Committee ensures we manage risks, control systems, and audits effectively, and meet legal and regulatory requirements.

The **Finance and Investment Committee** oversees financial performance, including budgeting, Group planning, and approving new development projects. It also evaluates new Group opportunities and ICT investments.

The **People Committee** oversees strategic HR planning, leadership development, employment and remuneration arrangements.

The **Assets and Development Committee** ensures the quality, performance, and value of asset management and development activities.

The **Tenant Services Committee** oversees the quality and value of services to residents, including housing, repairs, and community involvement.

The **Schedule 1 Committee** approves exemptions under the Housing Act 1996 and oversees shareholding membership applications.

Board members

Nick Beckett

Chair, joined 09/02/2023 (first term ends AGM 2026).

Nick joined the Board in February 2023, bringing a wealth of retail and property experience from his role as Head of Operations at Hammerson. He is also an experienced Non-Executive Director and Trustee, actively involved in charitable groups.

Angela Priestley

Co-opted Board Member and Chair of Assurance Committee joined 22/04/2021 (first term ends AGM 2026).

Angela has worked in the housing sector since 2010 and currently heads Corporate Services at a large Welsh housing association. She's focused on ensuring integrity and compliance, supporting the Board and

senior team while striving for excellence in delivering first class services, with a particular focus on tenant needs and positive change.

Carol Kay

Senior Independent Director, joined 09/03/2023 (first term ends AGM 2026).

Carol is an experienced housing leader who moved to Wales in 2001 to empower housing service users and later worked as a housing regulator for the Welsh Government. She is now a counsellor, psychotherapist, and coach specialising in trauma, and serves as Vice Chair of Cardiff Women's Aid.

Claire Hutcheon

Local Authority Board Member, joined 30/07/2021 (first term ends AGM 2024).

With over 14 years at Rhondda Cynon Taff County Borough Council, Claire currently leads housing strategy and investment, focusing on policy development and performance management. She is committed to involving residents in decision-making to provide quality homes and regenerate communities in Rhondda Cynon Taff.

Craig Middle

Local Authority Board Member, joined 13/07/2023 (first term ends AGM 2026).

Craig is a dedicated local leader living in Rhondda with a background in military service and group entrepreneurship. He currently serves as the Ministry of Defence Regional Employer Engagement Director for South Wales, whilst continuing his role in the Army Reserves. Passionate about community service, he chairs regional partnerships and is involved in various groups, focused on making a difference in people's lives.

David Michael

Co-opted Board Member, joined 09/03/2023 (first term ends AGM 2026 - resigned 25 June 2024).

David, a member of the Chartered Institute of Public Finance and Accountancy since 1991, has held senior positions in various public bodies and has extensive experience in the Welsh housing sector. Currently, he serves as a board member at Hendre/Hafod Housing Association, residing in Mid-Wales with family ties to the South Wales valleys and is fluent in Welsh.

Julian John

Board Member and Chair of Tenant Services Committee, joined 28/09/2020 (first term ended AGM 2023, second term ends AGM 2026).

Julian, from Llwynypia and Trehafod, has worked in senior positions at major mental health charities in Wales. Currently, as Associate Director of Operations at Mind, he focuses on mental health, housing, homelessness, and suicide prevention, drawing on over 30 years of experience helping vulnerable individuals.

Mark Richards

Board Member and Chair of Assets Committee, joined 28/04/2021 (first term ends AGM 2026).

Mark began his career as a mining and building surveyor, then managed housing maintenance for a local authority and a large housing association. After serving as Deputy Director General for Amgueddfa Cymru/Museums Wales, he is now semi-retired.

Martyn Price

Board Member and Chair of Finance and Investment Committee, joined 21/04/2021 (first term ends AGM 2024).

Martyn, who resides in Merthyr Tydfil, is a chartered accountant with over 30 years of experience in public and private sectors. He specialises in financial strategies, housing association funding, and customer-focused services which deliver value for money.

Stephen Brooks

Board Member and Chair of People Committee, joined 28/09/2020 (first term ended AGM 2023, second term ends AGM 2026).

Steve is a consultant, coach, and non-executive director who helps nonprofits with strategy, leadership, and governance. He founded Steve Brooks Consulting in 2021 after roles at Sustrans, Oxfam, and the Sustainable Development Commission, and now advises the Welsh Government.

William Oliver

Board Member, joined 21/04/2021 (first term ends AGM 2024).

Will, currently Assistant Director for NHS Wales Executive, draws from extensive senior leadership roles in NHS Wales to address inequality and drive positive outcomes. With nine years’ experience as a Non-Executive Director in the Housing, Care, and Support sector, he values partnership working to deliver impactful services, leveraging his expertise in performance improvement, strategic planning, and risk management.

Tony Deakin

Independent Committee Member, 09/03/2023 (First term ends AGM 2025). (Co-opted Board Member 26/04/2022 – 09/03/2023)

Tony has over 25 years’ experience of working in social housing, both as an Executive Director and Board Member, with a number of different housing organisations including registered social landlords, retained housing stock and arm’s length management organisations. He retired in August 2019 as Group Director of Resources at Cartrefi Conwy and as Chair of the Gwynedd LGPS Pension Board. Tony is a fellow of the Chartered Institute of Public Finance and Accountancy.

Board diversity

We believe in building a culture where everyone feels included, as diverse perspectives lead to better decisions. Increasing diversity and inclusion on our Board is important to us. We strive to have a wide range of backgrounds and experience to improve our decision-making.

In the data provided, there are 11 Non-Executive Directors and one Independent Committee member. Turnover during this period includes both non-executive directors and independent members.

Gender	9 x Male / 3 x Female
Average Age	54.6 years
Disability	1 x Yes 11 x No
Turnover	8.3%

In the year we joined the Gatensby Sanderson insight programme, providing training and development opportunities to perspective Board members from minority represented groups. We completed our first six-month placement in April 2024 and will soon participate in our second placement. Support includes mentoring from experienced Board members and undertaking the role of a shadow Board member.

Executive team

The day-to-day operations of Trivallis and its subsidiaries, Porthcwlis Limited and Cardiff Bay Homes LLP (the Group), are managed through the Chief Executive and three Directorates.

Duncan Forbes, Chief Executive

Duncan is an experienced leader and lawyer with 35 years of experience in public, private, and voluntary sectors, as well as community-owned social enterprises. He has a strong background in working with various communities and Groups, focusing on areas like housing, public services, poverty, inequality, and regeneration. His specific interests and expertise are in change management, leadership, governance, regulation, and coordinating public services to better serve the community. He is passionate about improving long-term quality of life through better preventative services.

Duncan heads the Group and directly oversees the Community Involvement Function.

Kate Jones, Executive Director People

Kate is an experienced senior human resources and occupational development professional with a strong background in leadership and Board-level roles. She has extensive expertise in workforce transformation and cultural change, with experience in project and change management, handling complex employee relations, and finding creative solutions to challenges. Having worked for the NHS in England and Wales for 14 years, Kate joined Trivallis in 2021 and is responsible for the corporate functions including People Services, People Development, Fleet, Health and Safety and Communications.

Keiron Montague, Executive Director Communities

Born in Maerdy, Keiron is a social housing professional with a keen interest in tackling poverty and community regeneration. He started his career as a Community Involvement Officer and then moved into youth work. He worked for various housing associations in South Wales before joining Trivallis in 2019 as Head of Development and Regeneration. He was appointed as an Executive Director in March 2020. He has also served as a Councillor for RCT and an Independent Community Board Member on Cwm Taf University Health Board.

Keiron is responsible for the operational functions including Customer & Community Engagement, Neighbourhood Management, Reactive Repairs, Void Property Management, Planned Maintenance, Asset Management, Estate Management, Development and Regeneration.

Lisa Pinney, Executive Director Resources

Lisa joined Trivallis in May 2023 and has over 15 years' experience of working in Welsh housing associations. Her role covers all aspects of finance, treasury, governance, procurement, technology, data, and Group improvement. She is also the Group Company Secretary. She has been a qualified accountant for nearly 30 years and has an MA in Leadership and Management. With a professional background in housing, education and manufacturing, Lisa champions value for money and how technology can drive Group efficiency.

Lisa is responsible for the corporate functions including Finance, IT, Data and Insight, Corporate Performance, Governance, Risk and Assurance, Innovation, Group Improvement, Income Management, and Procurement.

Corporate governance

The Welsh Government sets rules that housing associations must follow to ensure they are well-managed. These rules align with the Code of Governance from Community Housing Cymru. Each year, housing associations must review and report on their governance arrangements, the quality of homes and services, and their financial health.

Adopted Code of Governance

We have adopted the Community Housing Cymru Code of Governance 2021 to embed the good governance practices and principles contained within the code.

Regulation

We reported last year that we had entered into a voluntary undertaking with the Regulator in March 2022. This was resolved in 2023. The regulatory assessment has been completed and we are fully compliant in governance and management, financial viability, and leadership.

October 2023

Trivallis Limited – L143

Judgement

Governance and tenant services		
Compliant	Green	The Association meets the regulatory standards and will receive routine regulatory oversight.
Financial viability		
Compliant	Green	The Association meets the regulatory standards and will receive routine regulatory oversight.

The Board takes its responsibilities seriously and ensures it follows all rules and regulatory guidelines. It stays informed and oversees compliance with the Regulatory Framework and the CHC Code.

Report of the Assurance Committee

Angela Priestley, Committee Chair

This is my first report as Chair of the Assurance Committee, and I am grateful to the previous Chair Martyn Price, who stood down as Chair on 6 September 2023, for his support through the transition period. The Committee is made up of independent non-executive directors with a range of skills appropriate to the sector and relevant financial experience.

While the Committee acts independently of the Executive, the Executive Director of Resources attends the Committee meetings to provide information and clarity on specific topics. In addition, the Committee is also able to draw on the expertise of key advisors and control functions, including the internal and external auditors.

The Committee met five times during the year in line with the requirements of the terms of reference. As Chair of the Committee, I discuss the key areas of focus with the Committee members and report back to the Board on the Committee’s activities and matters of relevance, with the Board receiving a copy of the Committee minutes.

Alongside the rest of the housing sector in Wales and the UK, 2023/24 has continued to be challenging for Trivallis due to ongoing external factors resulting in high inflation, the cost-of-living crisis and political

uncertainty. In addition, we have had local challenges in continuing to respond to the voluntary undertaking action plan and achieved compliant status from Welsh Government in October 2023.

The work of the Assurance Committee is crucial to provide the Board with advice, oversight and assurance that legal and regulatory requirements are being met and that risk management and internal control processes are effective. This helps to ensure the Group achieves its community mutual objectives so we can continue to invest in homes and enable communities to thrive.

The Committee continues to scrutinise and assess the integrity of the financial reports and oversee the work of our internal and external auditors, who provide robust challenge and suggest areas of improvement within our internal control framework. The audits undertaken this year covered a range of operational aspects with best practice recommendations adopted.

The Group’s external audit function for 2023/24 was provided by Haines Watts. The internal audit function was provided by Mazars. At least once a year, the Committee meets with the internal and external auditors without management present.

The Committee’s effectiveness was reviewed during the year. It was concluded that the Committee continues to discharge its duties effectively and in a way that is proportionate, consistent, transparent, and accountable.

Risk management

Many of our activities carry significant regulatory, reputational, financial and compliance risks. Effective risk management is therefore fundamental to our business and the delivery of our corporate objectives.

The Group Board has overall responsibility for risk management and sets the Group’s tolerance to risk. Our risk framework is overseen by the Assurance Committee and the Board monitors the top business risks faced by the organisation.

Our approach to risk management centres on the “three lines of assurance” model:

Our approach to risk management centres on the “three lines of assurance” model



First line of assurance

Staff and culture, our policies and competencies.



Second line of assurance

Our compliance teams. Specialist compliance and governance teams are in place to identify risk and compliance.



Third line of assurance

Independent audits by third party specialists, overseen by Assurance Committee

Key strategic risks

Risk	Mitigation	Rating
<p>Cyber security</p> <p>Our cyber security provisions and ICT functionality is not fit for purpose.</p>	<p>Extensive work has been undertaken with external consultants to proactively monitor systems on a continuous basis.</p> <p>Action plans continue to be implemented to ensure the infrastructure, processes, training and monitoring adapt with technological advancements.</p>	<p>High</p>
<p>Decarbonisation and WHQS 2023</p> <p>We can't afford to meet government targets for decarbonisation and new WHQS standards.</p>	<p>Funding decarbonisation works continues to be a key challenge for Welsh Government and the wider sector. A 30-year business plan supported by the 3-year planned maintenance programme will aim to create financial capacity to address some of the sector-wide challenges.</p>	<p>Medium</p>
<p>Tenant involvement</p> <p>Tenant engagement does not influence at a strategic level.</p>	<p>Proposals for increased engagement between the Board, Executive Leadership Team and Tenant Action Panel have been implemented. Workplans are regularly shared, and members of the Executive Leadership Team and Board attend the Tenant Action Panel. The Chair of the Tenant Action Panel attends every Board meeting.</p>	<p>Medium</p>
<p>Change in service demand</p> <p>Climate change, increased stress and poor mental health create a change in service demand and impacts service delivery.</p>	<p>We continue to work with external partners to ensure appropriate referral mechanisms are in place to provide suitable support for tenants.</p> <p>We also continue to work with external consultants to understand the opportunities and challenges arising from climate change. This includes forecasting climate change impacts prior to land purchase, identifying and assessing climate response materials and new building techniques as well as scoping clean energy solutions.</p>	<p>Medium</p>
<p>Equal pay</p> <p>Absence of a job evaluation process could lead to equal pay claims.</p>	<p>All our roles were market assessed in 2023 to mitigate the risk of equal pay claims. A job evaluation project plan is underway to ensure our job descriptions are fit for purpose for evaluation in 2024. We continue to report and review our gender pay gap data annually which has made good progress.</p>	<p>Medium</p>

Statement of Board responsibilities

The Board must prepare the Strategic Report, Board Report, and financial statements according to the law.

Under Co-operative and Community Benefit Society law, the Board must create financial statements each year following UK accounting standards, including FRS 102. These statements must give a true and fair view of the Group's financial situation and performance.

In preparing these statements, the Board must:

- Choose and consistently apply appropriate accounting policies
- Make reasonable and prudent judgments and estimates
- Follow UK accounting standards and the Statement of Recommended Practice, noting any significant deviations
- Assess and disclose the Group's ability to continue as a going concern
- Use the going concern basis unless liquidation or cessation of operations is unavoidable

The Board must keep accurate financial records that comply with relevant laws and enable the preparation of correct financial statements. They must implement internal controls to ensure the accuracy of these statements and take steps to protect the Group's assets from fraud and other irregularities.

The Board is also responsible for maintaining the integrity of the corporate and financial information on the Group's website, acknowledging that UK financial statement laws may differ from those in other countries.

Going concern

After reviewing the Group's 2024/25 budget, 30-year Group plan, and strategic procedures, the Board believes the Group has enough resources to continue operating for at least twelve months from the date of the financial statements' approval.

Disclosure of information to auditor

Board members confirm that, to their knowledge, there is no relevant audit information unknown to the auditor. Each member has taken necessary steps to ensure they are aware of relevant audit information and that the auditor is informed.

Auditor

Haines Watts Wales LLP has agreed to continue as the Group's auditor.

Approved by the Board and signed on its behalf by:



Nick Beckett, Chair

25 July 2024

Statement of internal control

As a registered social landlord, we are required by Welsh Government to report on internal controls. Internal controls are the systems and processes we put in place to minimise risk, meet regulatory obligations and ensure business information and assets remain secure. Effective internal controls mean we can ensure our resources are applied to the areas where they are needed the most.

The key elements of the system of internal control ensure that:

- There is division of responsibilities between the Board, Committees, and the Executive Leadership Team, with clear terms of reference for each.

- There are formal policies and procedures in place which are regularly reviewed. These include documentation relating to delegated authorities to Committees, Executive Directors and staff; and key information systems that physically restrict the unauthorised use of Trivallis assets.
- Budgets and forecasts with key performance indicators are prepared and reviewed regularly, allowing the Board to monitor the main business risks and financial performance against the operational and financial plans set for the current year, plus the medium and long-term. Management accounts are produced monthly with material variances from budgets investigated and reported as appropriate.
- Experienced and suitably qualified staff are employed, and their performance is monitored through an annual appraisal system and regular one-to-one meetings.
- Directors report quarterly to the Assurance Committee on any items that potentially impact internal controls and their effectiveness. During the year the Board resolved and closed the voluntary undertaking with Welsh Government. The regulatory assessment published on 06/10/2023 was green and green for Financial Viability and Governance and Tenant Services.
- The Assurance Committee reviews the assurance framework, reports from management, the internal auditor, and external auditor, to assess the effectiveness of the controls in place and ensure processes are being followed correctly. Corrective action is taken to rectify weaknesses identified and is reported to the Board and / or Committees on a regular basis. There were no internal audit reports in the year with limited assurance.
- All significant new initiatives, major commitments, and new investments are subject to formal authorisation procedures in accordance with the Scheme of Delegated Authority.
- The Board and Committees look at continuous improvement programmes for the main business areas and review the progress of the implementation of major operational changes identified in operational plans.
- The Board has developed risk appetite statements that provide the Executive and Senior Management teams a clear framework within which they can operate, allowing innovation in business development whilst ensuring executive governance remains a key priority.
- The Board has formally reviewed the effectiveness of risk management and internal controls in existence in the Group for the year end 31 March 2024. All controls that were financial in nature were deemed to be effective.

The internal controls framework has been regularly reviewed and strengthened and a full internal control framework is in place in accordance with the Welsh Government sector best practise.

Tenant engagement

Our tenant engagement allows us to check and test that we are delivering homes and services for tenants that meet their needs whilst maintaining high levels of tenant satisfaction. Our governance structure has three levels of tenant engagement:

- Level 1 – Input. This is a group of tenants who have volunteered their time to provide feedback through surveys and one-off focus groups. This could be for any service area and their work is often used to provide data and intelligence for the other two levels of involvement.
- Level 2 – Influence. At this level tenants are engaged in the oversight, monitoring and improvement of a specific service or area of the business. This area includes our Repairs, Complaints and ASB groups.
- Level 3 – Inspire. This level is made up of our Tenant Action Panel which are our “most involved” tenants who work with us to ensure tenants are involved in key strategic decisions across all areas of the business.

Directors’ liabilities

The Group maintains indemnity cover, subject to the conditions set out in Section 234 of the Companies Act 2006, protecting all Board, Committee or staff members or volunteers from claims made against them in their capacity as representatives of the Group.

Employees

The strength of the Group lies in the quality and commitment of its employees. The Group’s ability to meet its objectives and commitments to tenants in an efficient and effective manner depends on the contribution of employees throughout the Group. We are committed to equal opportunities for all our employees and support the employment of disabled people. We support a range of health and wellbeing initiatives, which are led by a cross section of staff employed by the Group.

Modern Slavery Act

The Board has approved a Modern Slavery Act Transparency Statement in compliance with section 54 of the Modern Slavery Act 2015 which is available on the Group’s website.

Disclosure of information to Auditors

The Board confirm that, as far as we are aware, there is no relevant audit information of which the Group’s auditor is unaware. The Board also confirms that we have taken all the steps that we ought to have taken to make ourselves aware of any relevant information and to establish that the auditor of Trivallis and its subsidiaries, Porthcwlis Limited and Cardiff Bay Homes LLP is aware of that information.

As Chair of the Board, I have considered the internal controls in place for 2023-24 and consider the framework for this period to be adequate and effective.

Approved by the Board and signed on its behalf by:



Nick Beckett, Chair

25 July 2024

Independent Auditors Report to the Members of Trivallis Limited

Opinion

We have audited the financial statements of Trivallis Limited (the 'Association') and its subsidiary (the Group) for the year ended 31 March 2024 which comprise the Consolidated Statement of comprehensive income, the Consolidated and Association Statement of Changes in Reserves, the Consolidated and Association Statement of Financial Position, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2024 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, schedule 1 to the Housing and Regeneration Act 2008 and The Accounting requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

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

Opinion on the matters prescribed under Housing Association Circular RSL02/10 "Internal controls and reporting"

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 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 obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 35, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The extent to which our procedures can detect irregularities, including fraud is detailed below:

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

Our planning procedures identify the legal and regulatory frameworks applicable to the operations and financial statements of the Association. These are reviewed internally with the audit team including relevant industry experience and expectations as well as externally with the client management. The key laws and regulations we considered in this context were; Financial Reporting Standard (FRS) 102, Co-Operative and Community Benefit Societies Act 2014, Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

Once identified, we assess the risks of material misstatements in relation to the laws and regulations, irregularities, including fraud and adjust our testing accordingly.

Our audit procedures include:

- 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, and the reports provided by the internal auditors.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to

inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities likely involve collusion, forgery, intentional misrepresentation, or the override of internal controls.

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

Auditor’s responsibilities in respect of the Housing for Wales Circular HFW 02/10 “Internal controls and reporting”

We review whether the Board’s statement on internal financial control reflects the Association’s compliance with the Housing Association Circular RSL 02/10 “Internal controls and reporting” and we report whether the statement is not inconsistent with the information of which we are aware from our audit of the financial statements. We are not required to form an opinion on the effectiveness of the Association’s corporate governance procedures or its internal financial control.

Use of report

This report is made solely to the Association’s members, as a body, in accordance with the requirements of the Co-operative and Community Benefit Societies Regulations 2014, the Housing and Regeneration Act 2008 and the accounting requirements for Registered Social Landlords General Determination (Wales) 2015. Our audit work has been undertaken so that we might state to the Association’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association’s members as a body, for our audit work, for this report, or for the opinions we have formed.



Haines Watts Wales LLP
Statutory Auditor

Haines Watts Wales LLP
Statutory Auditor
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ
20 August 2024

Financial statements

Income statement for the period 1 April 2023 to 31 March 2024

	Note	Group		Association	
		2024	2023 As Restated	2024	2023 As Restated
		£'000	£'000	£'000	£'000
TURNOVER	2	63,683	60,254	63,662	60,233
Less: operating costs	2	(54,349)	(52,817)	(54,349)	(52,817)
OPERATING SURPLUS		9,334	7,437	9,313	7,416
(Loss)/Surplus on revaluation of Investment properties	12	1,566	(253)	1,566	(253)
Dividend Income					
Surplus on sale of fixed assets	3	(2)	1	(2)	1
Interest receivable and similar income	4	718	-	718	-
Interest payable and similar charges	5	(4,901)	(4,269)	(4,901)	(4,269)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAX		6,715	2,916	6,694	2,895
Taxation on surplus on ordinary activities	7	-	-	-	-
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		6,715	2,916	6,694	2,895
Re-measurement gain /(loss) recognised on defined benefit pension schemes	24	90	11,740	90	11,740
Total comprehensive income for the year		6,805	14,656	6,784	14,635
Total comprehensive income for the year attributable to:					
Association (parent company)		6,803	14,654	6,784	14,635
Non-controlling interests		2	2	-	-
Total comprehensive income for the year		6,805	14,656	6,784	14,635

The Group and Association's turnover and expenses all relate to continuing operations.

The financial statements on pages 43 to 81 were approved by the Board on 25 July 2024 and signed on its behalf by



Nick Beckett

Chair of the Board

25 July 2024



Lisa Pinney

Company Secretary

25 July 2024

Group statement of changes in reserves

	Share capital	Income & expenditure account	Total excluding non-controlling interest	Non-controlling interest	Total
	£'000	£'000	£'000	£'000	£'000
At 1 April 2022	2	118,025	118,027	(63)	117,964
Total comprehensive income					
Surplus for the year		2,914	2,914	2	2,916
		11,740	11,740		11,740
Re-measurement loss recognised on defined benefit pension schemes					
Total comprehensive income	-	14,654	14,654	2	14,656
At 31 March 2023 (As Restated)	2	132,679	132,681	(61)	132,620
At 1 April 2023	2	132,679	132,681	(61)	132,620
Total comprehensive income					
Surplus for the year		6,713	6,713	2	6,715
		90	90		90
Re-measurement loss recognised on defined benefit pension schemes					
Total comprehensive income	-	6,803	6,803	2	6,805
At 31 March 2024	2	139,482	139,484	(59)	139,425



Nick Beckett

Chair of the Board

25 July 2024



Lisa Pinney

Company Secretary

25 July 2024

Association statement of changes in reserves

	Share capital	Income & expenditure account	Total
	£'000	£'000	£'000
At 1 April 2022	2	118,608	118,610
Total comprehensive income			
Surplus for the year		2,895	2,895
Re-measurement loss recognised on defined benefit pension schemes		11,740	11,740
Total comprehensive income	-	14,635	14,635
At 31 March 2023 (As Restated)	2	133,243	133,245
At 1 April 2023	2	133,243	133,245
Total comprehensive income			
Surplus for the year		6,694	6,694
Re-measurement loss recognised on defined benefit pension schemes		90	90
Total comprehensive income	-	6,784	6,784
At 31 March 2024	2	140,027	140,029



Nick Beckett

Chair of the Board
25 July 2024



Lisa Pinney

Company Secretary
25 July 2024

Statement of financial position at 31 March 2024

	Note	Group		Association	
		2024	2023 As Restated	2024	2023 As Restated
		£'000	£'000	£'000	£'000
Intangible fixed assets	8	1,072	1,051	1,072	1,051
Property, plant and equipment					
Housing properties	9	196,424	185,260	196,424	185,260
Other tangible fixed assets	10	4,085	3,940	4,085	3,940
Investment in subsidiaries	11	-	-	425	50
Investment properties	12	7,575	5,623	7,575	5,623
		209,156	195,874	209,581	195,924
CURRENT ASSETS					
Stock	13	205	241	205	241
Trade and other debtors	14	6,499	7,557	6,499	7,544
Cash at bank and in hand	21	22,581	24,022	22,579	24,020
		29,285	31,820	29,283	31,805
Creditors: Amounts falling due within one year	15	(6,027)	(7,888)	(5,846)	(7,877)
Net current assets/(liabilities)		23,258	23,932	23,437	23,928
TOTAL ASSETS LESS CURRENT LIABILITIES		232,414	219,806	233,018	219,852
Creditors: Amounts falling due after more than one year	16	(92,371)	(86,463)	(92,371)	(85,884)
Provisions for liabilities and charges	17	(618)	(723)	(618)	(723)
LGPS pension liabilities	24	-	-	-	-
NET ASSETS		139,425	132,620	140,029	133,245
CAPITAL AND RESERVES					
Share capital		2	2	2	2
Income and expenditure account		139,482	132,679	140,027	133,243
Non-controlling interest		(59)	(61)	-	-
TOTAL RESERVES		139,425	132,620	140,029	133,245

The financial statements on pages 43 to 81 were approved by the Board on 25 July 2024 and signed on its behalf by



Nick Beckett
Chair of the Board
25 July 2024



Lisa Pinney
Company Secretary
25 July 2024

Group cash flow statement for the period 1 April 2023 to 31 March 2024

	Note	2024		2023 - As Restated	
		£'000	£'000	£'000	£'000
Net cash generated from operating activities	21		16,903		19,630
Tax paid	7	-		-	
Cash flow from investing activities					
Interest received	21	718		-	
Purchase of social housing properties	9	(21,065)		(15,751)	
Purchase of investment properties	12	-		-	
Other tangible fixed assets	10	(118)		(269)	
Payments to acquire intangible fixed assets	8	(295)		(393)	
Receipt of non-revenue government grants	16	5,994		3,136	
Proceeds from sales of tangible fixed assets	3	(2)		-	
Net cash flow from investing activities			(14,768)		(13,277)
Financing activities					
Interest paid	21	(2,589)		(2,585)	
Drawdown of loan facility	16				
Finance lease facility	16	(987)		(940)	
Repayment of borrowings	21	-		-	
Net cash flow from financing activities			(3,576)		(3,525)
(Decrease)/Increase in cash and cash equivalents			(1,441)		2,828
Cash and cash equivalents at 1 April			24,022		21,194
Cash and cash equivalents at 31 March			22,581		24,022



Nick Beckett

Chair of the Board

25 July 2024



Lisa Pinney

Company Secretary

25 July 2024

Association cash flow statement for the period 1 April 2023 to 31 March 2024

	Note	2024		As Restated - 2023	
		£'000	£'000	£'000	£'000
Net cash generated from operating activities	21		16,903		19,630
Tax Paid					
Cash flow from investing activities					
Interest received	21	718		-	
Purchase of social housing properties	9	(21,065)		(15,751)	
Purchase of investment properties	12	-		-	
Other tangible fixed assets	10	(118)		(269)	
Payments to acquire intangible fixed assets	8	(295)		(393)	
Receipt of government grants	16	5,994		3,136	
Proceeds from sales of tangible fixed assets	3	(2)		-	
Net cash flow from investing activities			(14,768)		(13,277)
Financing activities					
Interest paid	21	(2,589)		(2,585)	
Drawdown of loan facility	16	-		-	
Finance lease facility	16	(987)		(940)	
Repayment of borrowings	21	-		-	
Net cash flow from financing activities			(3,576)		(3,525)
(Decrease)/Increase in cash and cash equivalents			(1,441)		2,828
Cash and cash equivalents at 1 April			24,020		21,192
Cash and cash equivalents at 31 March			22,579		24,020



Nick Beckett

Chair of the Board

25 July 2024



Lisa Pinney

Company Secretary

25 July 2024

Notes to the financial statements for the year 1 April 2023 to 31 March 2024

Note 1 - Accounting policies

Statement of compliance

Trivallis is a registered society under Co-operative and Community Benefit Societies Act 2014 incorporated in Wales. Its registered office address is at [page 5](#).

The financial statements have been prepared in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as it applies to the financial statements of the Group for the year ended 31 March 2024. The financial statements comply with the Statement of Recommended Practice "Accounting by Registered Social Housing Providers" effective from 1 January 2019 ("the 2018 SORP") and The Accounting Requirements for Social Landlords General Determination (Wales) 2015.

The Board believe that Trivallis is a Public Benefit Entity as defined by FRS 102. A Public Benefit Entity is an entity whose primary objective is to provide goods or services for the general public, community or social benefits and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to producing a financial return to equity providers, shareholders or members.

Basis of preparation

The financial statements of Trivallis were approved by the Board on 25 July 2024. As outlined in the Board Report, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The Group prepares and approves a 30-year business plan annually. The most recent business plan was approved in July 2023 by the Board. This includes an analysis of the impact of a series of severe but plausible adverse scenarios that could impact the plan. These impacts were measured against loan covenants, along with mitigating actions identified to reduce costs.

The Board, after reviewing the Groups budgets for 2024 and the Group's medium-term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the Group has adequate resources to continue to meet their liabilities over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

To reach this conclusion, the Board has considered the following factors:

- Maintenance costs – budget and business plan scenarios have been modelled to take account of cost increases, the impact of delays to planned improvement programmes and sensitivities have been included to understand potential future costs around decarbonisation.
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of rent freezes.
- Liquidity – current available cash and unutilised loan facilities give significant headroom for committed expenditure and other forecast cash flows over the going concern assessment period.
- The group's ability to withstand other adverse scenarios such as higher interest rates and increases in the number of void properties.

The Board believes the Group has sufficient funding and expect the Group to be compliant with its loan covenants in events of significant downside scenarios.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The financial statements are prepared in Sterling which is the functional currency of the Group and rounded to the nearest £'000.

Basis of consolidation

The Group financial statements consolidate the financial statements of Trivallis and its subsidiaries at 31 March each year.

Subsidiaries are consolidated from the date of acquisition. This is the date upon which the Group achieves control. This is defined as the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Subsidiaries continue to be consolidated until the Group ceases to have control, with any minority interest of other shareholders removed in accordance with FRS102. Entities in which the Group holds an interest, and which are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures and accounted for using the equity method.

Entities other than subsidiary undertakings or joint ventures in which the Group has a participating interest and where the Group exerts significant influence are treated as associate companies and are accounted for using the equity method.

In the Association's financial statements, investments in associates, joint ventures and subsidiaries are accounted for at cost less impairment.

Critical accounting estimates and judgements

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 balance sheet date and the amounts reported for income and expenditure during the year. The Group based its estimates and assumptions on parameters available at the time the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market circumstances, legislation or other circumstances beyond the Group's control. Such changes are reflected in the assumptions and estimates when they occur.

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Estimated useful lives of property, plant and equipment

At the date of capitalising tangible fixed assets, the Group estimates the useful life of the asset based upon management's judgement and experience. Due to the significance of capital investment to the Group, variances between actual and estimated economic lives could affect the Group's result positively or negatively.

Provisions

The estimate of the amount of the provision corresponds to the expenditure likely to be incurred by the Group to settle its obligation. If a reliable estimate cannot be made of the amount of the

obligation, no provision is recorded, and the obligation is deemed to be a contingent liability. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of the provisions within the next financial year as follows:

- Short term employment benefits – the cost of employees' entitlement to outstanding leave at the balance sheet date.
- Insurance claims - the number of claims outstanding and estimates of settlement costs.
- Leased vehicles – frequency of accidental damage.
- Environmental warranty – changes to the interest rate applied to the provision calculation or the underlying cost of the potential liability.

Defined benefit pension scheme

Trivallis employees are eligible to join the Rhondda Cynon Taff County Borough Council Pension fund which is a local government scheme. This is a fully defined benefit scheme. The Group's defined benefit pension scheme's asset or liability, which is assessed each period by actuaries, is based upon key assumptions including discount rates, mortality rates, inflation, future salary costs and future pension costs. These assumptions individually or collectively may vary from actual outcomes. See note 24 for details.

Taxation and deferred taxation

Whilst Trivallis is treated as charitable for tax purposes, non-charitable activities are undertaken in Cardiff Bay Homes LLP (formerly known as Bellerophon (Project 1) LLP). This creates a Group taxation charge and at each financial year end, judgement is required in determining the provision for Corporation Tax. The Group recognises liabilities for anticipated tax issues based upon the best estimates at the balance sheet date.

Where the final tax outcome of the above is different from the amounts which were initially recorded, such differences will impact the current tax and deferred tax provisions in the year in which such determination is made. The outcome of these tax items may give rise to material income and expenditure account and cash flow movements.

Intangible assets – computer software

The Group's only intangible assets comprise computer software and associated development costs. This is recognised at cost on acquisition. Computer software is depreciated over five years.

Property, plant and equipment

Housing properties cost

Housing Properties classified as property, plant & equipment are those let at a social rent. They are stated at cost less depreciation.

Housing properties are divided into four types. These are:

1. The properties purchased from Rhondda Cynon Taff County Borough Council on 10 December 2007 were capitalised at nil cost as the works required to bring them up to WHQS and maintain them at that level resulted in a negative valuation derived from the discounted cash flows over 30 years. Subsequent improvements and major works are capitalised at cost to enhance the economic benefit of the asset.
2. Purchased properties where cost is the cost of acquiring the property plus associated fees and works required to bring them into use.
3. New development where new homes are commissioned and built. The development cost of properties includes the following:
 - Cost of land and buildings.

- Professional fees.
 - Management costs directly related to the development scheme.
 - Finance charges incurred during the development period are capitalised and added to the cost of completed housing properties based on the Group's net investment and its average borrowing costs during the year; and
 - Provision for the cost of work completed but not paid for at the year end.
4. Leasehold properties constructed as a result of the Cardiff Bay Homes LLP (formerly known as Bellerophon (Project 1) LLP) transaction. The capital cost of these properties includes the following:
- Cost of land and buildings.
 - Professional fees.
 - Management costs directly related to the development scheme.
 - Finance charges incurred during the development period are capitalised and added to the cost of completed housing properties based on the directly attributable cost; and
 - Provision for the cost of work completed but not paid for at the year end.

The cost of housing properties includes directly attributable costs in bringing them into working condition for their intended use or developing new properties. Directly attributable costs are defined as: the labour costs of Trivallis employees arising directly from the construction or acquisition of property; and incremental costs that would have been avoided only if individual properties had not been constructed or acquired.

Any abortive costs incurred relating to developments that do not proceed are written off to the Income & Expenditure Account in the year identified as abortive.

Expenditure on existing housing properties is capitalised to the extent that it improves the economic benefit of the asset. Such enhancements can occur if the improvements result in either:

- an increase in rental income.
- a material reduction in future maintenance costs; or
- a significant extension to the life of the property.

Only main elemental improvements that meet these criteria are capitalised and these are depreciated over their estimated elemental life span, on a straight-line basis. Depreciation periods are shown below. All other costs are written off to the Income & Expenditure Account as incurred.

The sale of properties held for rent is shown in the Income & Expenditure Account as surpluses or deficits from the sale of fixed assets.

Depreciation

Freehold land

Freehold land is not depreciated.

Housing properties

Depreciation of buildings, excluding the improvements detailed below, is charged to write down the net book value to their estimated residual value on a straight-line basis over their useful economic lives to the business:

- Traditionally built properties are depreciated over 50 years.
- Non-traditional properties are depreciated over 40 years.

Leasehold properties

Leasehold properties are depreciated over the remaining life of the lease at the date the properties are brought into use.

Improvements to housing properties

The main improvements capitalised are depreciated over their estimated elemental life span, on a straight-line basis over the following periods:

• Kitchens	15 years	• Solar panels	20 years
• Bathrooms	25 years	• Mains gas supply	50 years
• Central heating boilers	15 years	• Doors	10 years
• Whole house rewires	30 years	• Lifts	25 years
• New roofs – Houses	50 years	• New roofs– Flats	30 years
• Windows – Houses	40 years	• Windows – Flats	30 years
• Non-traditional property improvements	40 years	• Door entry systems	20 years
• Fire Sprinklers	25 years	• Fire Alarm Sensors	25 years
• Fire- Riser Mains	40 years (traditional) 50 years (non traditional)	• Fire Evacuation Alert Systems	25 years

A cost threshold of £1,000 for capitalisation applies, though assets costing less than £1,000 may be grouped and capitalised if appropriate.

Other fixed assets

Depreciation is calculated to write off the cost of the fixed asset on a straight-line basis over its estimated useful life. The rates used are as follows:

• Freehold buildings	50 years	• Vehicles	4 years
• Furniture, fixtures & fittings	10 years	• Plant and tools	4 years
• Office equipment	5 years	• Computer hardware	3 years
• Leased property	Over the remaining life of the lease		
• Leased office improvements	Over the remaining life of the lease		

Investment properties

Properties held for the purpose of generating revenue or capital appreciation are classified as investment properties and held at fair value with changes in fair value taken directly to the Statement of Comprehensive Income. A desktop valuation is carried out internally using an appropriate BCIS index, with an external valuation being undertaken every four years.

Impairment of non-financial assets

An annual review for indicators of impairment to housing properties is carried out and, if appropriate, an annual impairment review in accordance with FRS 102 (S27) and the 2018 SORP is undertaken. The following indicators are used to determine whether impairment exists:

- Annual fall in house price index Jan-Dec in RCT exceeding 2.5%
- 3-month LIBOR above or expected to rise above 7.5%
- Void loss more than 5%
- Bad debt loss more than 6%
- Reactive maintenance overspends more than 10%
- Component write offs more than 5% of housing property depreciation
- Actual or forecast covenant breach
- Forecast development overspends more than 20% without recourse
- Forecast development handover delays more than 6 months without recourse

Where there is impairment, fixed assets are written down to their recoverable amount and the write down is charged to the Income & Expenditure Account.

Cash Generating Units are defined according to the economic characteristics of the underlying assets. Properties transferred at zero from Rhondda Cynon Taff County Borough Council comprise a single cash generating unit. New build properties let at a commercial rent and new build properties let at social rents will comprise separate cash generating units, on a scheme-by-scheme basis.

Capitalised finance charges

Any finance charges directly attributable to the construction of tangible fixed assets are capitalised where material.

Assets received through non-exchange transactions

Assets received through non-exchange transactions (donations and legacies) are included in the Statement of Financial Position at fair value if this exceeds the Group capitalisation threshold. Assets where the fair value cannot be reliably measured are not recognised in the Statement of Financial Position.

Where there are no future performance related conditions attached to the legacy or donation, the fair value of the asset is taken to income. When future performance related obligations apply the fair value of the assets received is only recognised in income when these are complied with. Where revenue recognition criteria have not been complied with, the fair value of the asset is treated as deferred income.

Legacies are to be recognised when measurable i.e. when probable or when the estate accounts are settled.

Revenue recognition

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of consideration received excluding discounts, rebates, VAT and other sales taxes or duty.

Where the consideration receivable in cash or cash equivalents is deferred and the arrangement constitutes a financing transaction, the fair value of consideration is measured as the present value of all future receipts using the imputed rate of interest.

Rental and service charge income is stated net of losses from voids.

Income in respect of services provided is recognised when the Group has fulfilled its contractual obligations.

Government grants

Government grants are defined in the 2018 SORP as "Assistance by government in the form of a transfer of resources to the entity in return for past or future compliance with specified conditions relating to the operating activities of the entity". Government means government, government agencies and similar bodies whether local, national or international.

Government grants are recognised when the Group has complied with the required conditions and there is certainty that the grant will be received.

Government grants relating to housing properties held at cost are accounted for using the accrual model and are amortised over the life of the related assets.

The unamortised portion of grants received is held in the statement of financial position separately as deferred grant.

Where grant funded assets are disposed of and there is no requirement to repay the grant, the unamortised portion of the grant is released as income.

Grants repayable are accounted for using management's best estimate of the liability.

In line with the accruals model, revenue related grants are released to the Income and Expenditure account over the period in which the related costs are recognised.

HFG is received over a 30-year period with interest receivable from the Welsh Government, on the total capital value of the grant, over that period. The net present value of the HFG receivable over the agreed payment term is recognised as a capital grant and a deferred debtor.

Upon receipt of the grant payments, the debtor decreases by the capital element and the difference between this, and the amount of grant received is credited to surplus or deficit in the Statement of Comprehensive Income as a contribution towards the financing cost of that scheme. The discount rate used for the net present value calculations is the same rate that applies to the associated borrowing to fund the housing assets.

The capital grant element of HFG previously received is deemed to be repayable upon disposal of a related housing asset.

Non-government grants

Grants received from non-government sources are accounted for using the performance model as follow:

- A grant which does not impose specified future performance requirements on the Group is recognised as revenue when the proceeds are received or receivable.
- A grant which imposes specified future performance related conditions is recognised as revenue only when the performance related conditions are met.
- A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Stocks

Stocks are stated at the lower of cost or net realisable value. Cost includes all costs incurred in bringing each item to its present location and condition. Net realisable value is based upon estimated selling price less any further costs expected to be incurred to completion and disposal.

Financial instruments

Trivallis has chosen to apply Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial Instruments include items such as trade receivables, trade payables and straightforward bank loans. Bank loans are measured at amortised cost. Trade receivables and payables are classified as current assets or current liabilities and are measured at the undiscounted amount of cash expected to be paid or received.

Short term debtors and creditors

Short term debtors and creditors with no stated interest rate receivable and payable within one year are recorded at transaction price. Any losses from impairment are recognised in the income and expenditure account in other operating expenses.

Financing transactions

Basic financial assets, where the arrangement constitutes a financing transaction, are measured at the present value of the future receipts discounted at a market rate of interest.

Public benefit entity concessionary loans

Public benefit entity loans are loans made or received by a public benefit entity or a member of a public entity group at an interest rate below that prevailing in the market. They are not repayable on demand and are made to further the objectives of the public benefit entity or the public benefit entity parent.

Public benefit entity loans made or received by the Group are recognised in the statement of financial position at the amount paid or received, together with accrued interest. Where a loan is irrecoverable, an impairment loss is recognised in income and expenditure.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity date of three months or less.

Interest bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are measured initially at fair value, including transaction costs and are measured subsequently at amortised cost using the effective interest rate method.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at fair value of the leased asset (or if lower the present value of the minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and the reduction of the lease obligation to achieve a constant rate of return on the remaining balance of the liability. Finance charges are included in interest payable and similar charges in the income and expenditure account. Assets held under finance leases are held in property, plant and equipment and are depreciated over the lesser of the lease term and the assets' useful economic life. They are assessed for impairment losses in the same way as owned assets.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Lease payments under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term.

Lease incentives are recognised over the lease term on a straight-line basis.

Transaction costs relating to assets acquired under finance leases are added to the value of the amount recognised as an asset.

Where material, transaction costs relating to assets acquired under operating leases are recognised as an asset and amortised over the life of the lease.

Provisions for liabilities

A provision is recognised when the Group has a legal or constructive obligation because of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and that a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligations is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the income and expenditure account in the period in which it arises.

Employee benefits

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

Defined benefit pension scheme

Trivallis is a member of the Local Government Pension Scheme (LGPS), administered by Rhondda Cynon Taff County Borough Council ("RCTCBC"). The LGPS is a funded defined benefit scheme with benefits earned up to 31 March 2014 based upon final salary. Benefits earned after 31 March 2014 are based upon a Career Average Re-Valued Earnings Scheme.

The liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually, the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting expected future payments using the market yields on high quality corporate bonds. The net interest element is determined by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the income and expenditure account as Interest payable and similar charges.

Actuarial gains and losses arising from experience adjustments are charged to other comprehensive income. These amounts, together with the return on plan assets, less amounts included in net interest payable, are disclosed as re-measurement of net defined benefit liability.

Reporting the substances of transactions in relation to the improvement of the properties

The Housing Stock was acquired from RCTCBC on an improved basis, simultaneously entering into a sub-contract (development agreement) to undertake a programme of improvement works on behalf of RCTCBC (known as a VAT Shelter).

FRS 102.2.8 which requires that transactions should be accounted for and presented in accordance with their substance and not merely their legal form, has been applied to the corresponding transactions. Expenditure under the development agreement is therefore accounted for as it is incurred, over 20 years, rather than as a transaction that took place legally on the date of transfer. The VAT on the initial transaction will be recovered over the 20-year period of the Development Agreement.

Taxation

Trivallis is treated as charitable for taxation purposes. This was confirmed by HM Revenue & Customs (HMRC) on 20 November 2007. Consequently, the surpluses derived from primary purpose charitable activities are outside the scope of corporation tax. This treatment is reviewed annually in line with the activities undertaken by Trivallis to ensure the exemption still applies.

Non-primary charitable activities undertaken in Trivallis, or its subsidiary companies are subject to corporation tax in line with applicable legislation. The accounting policies applied are as follows:

Current tax

Current taxation is recognised in respect of corporation tax payable in respect of the profits of current or past reporting periods, using the tax rates and laws that have been enacted or are substantively enacted by the reporting date.

Deferred tax

Deferred tax arises in respect of timing differences between taxable profits and accounting profits as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date apart for the following exceptions. Unrelieved tax losses and other deferred tax assets are only recognised to the extent that it is probable that they will be recoverable against the reversal of deferred tax liabilities or other future taxable profits.

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

Value Added Tax (VAT)

Trivallis is registered for VAT and charges VAT on some of its income and can recover part of the VAT it pays on expenditure. The financial statements include VAT on expenditure to the extent that it is not recoverable from HMRC. The balance of VAT payable or receivable at the end of the financial year is included as a current liability or asset as appropriate.

Related party transactions

Related parties are identified by the annual disclosure of interest's exercise performed. All transactions with related parties are made at arm's length, on normal commercial terms and the related parties cannot use their position to their advantage.

Note 2 - Turnover, operating costs and operating results GROUP

Group Note A

	2024			As Restated - 2023		
	Turnover £'000	Operating costs £'000	Operating surplus £'000	Turnover £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings (Note B)	62,599	(54,295)	8,305	59,498	(52,697)	6,801
<i>Other social housing activities</i>						
Other	-	-	-	-	-	-
<i>Non-social housing activities</i>	1,083	(54)	1,029	756	(120)	636
Total	63,683	(54,349)	9,334	60,254	(52,817)	7,437

Note 2 - Turnover, operating costs and operating results ASSOCIATION

Association Note A

	2024			As Restated - 2023		
	Turnover £'000	Operating costs £'000	Operating surplus £'000	Turnover £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings (Note B)	62,599	(54,295)	8,305	59,498	(52,697)	6,801
<i>Other social housing activities</i>						
Other	-	-	-	-	-	-
<i>Non-social housing activities</i>	1,062	(54)	1,008	735	(120)	615
Total	63,662	(54,349)	9,313	60,233	(52,817)	7,416

Note 2 - Turnover, operating costs and operating results

Note B

	General needs	Sheltered housing	Non-Social Housing Activities	2024 Total	As Restated - 2023 Total
	£'000	£'000	£'000	£'000	£'000
Income					
Rent receivable	48,744	2,932	788	52,464	49,168
Service charge income	330	1,042	275	1,647	1,584
Income for support services – Supporting People Grants	949	-	-	949	815
Government and other grants taken to income	7,849	-	-	7,849	7,480
Amortised government grant	243	-	-	243	192
Other social housing income	509	-	-	509	995
Turnover from social housing lettings	58,625	3,974	1,062	63,662	60,233
Cost					
Management costs	(20,387)	(744)	(59)	(21,189)	(21,554)
Services	(1,979)	(723)	5	(2,698)	(2,313)
Routine maintenance	(14,647)	-	-	(14,647)	(12,737)
Major repairs expenditure (exc. capital spend)	(5,001)	-	-	(5,001)	(4,973)
Bad debts	(44)	-	-	(44)	(212)
Depreciation of tangible fixed assets	(10,395)	-	-	(10,395)	(10,761)
Depreciation of intangible fixed assets	(274)	-	-	(274)	(245)
Write off of tangible fixed assets	(101)	-	-	(101)	(22)
Operating costs on social housing	(52,828)	(1,467)	(54)	(54,349)	(52,817)
Operating surplus on social housing lettings	5,797	2,508	1,008	9,313	7,416
Rent loss due to voids (memorandum note)	(1,167)	(68)	(213)	(1,449)	(1,157)

Note 2 - Turnover, operating costs and operating results GROUP AND ASSOCIATION

	Group		Association	
	2024	As Restated - 2023	2024	As Restated - 2023
Operating surplus for the year is after charging:	£'000	£'000	£'000	£'000
Amortisation - intangible assets	8	274	245	274
Depreciation - housing properties	9	10,138	10,551	10,138
Depreciation - other assets	10	257	211	257
Write off of tangible fixed assets	2	101	-	101
Auditors' remuneration:				
Audit of these financial statements		36	36	36
Taxation compliance services				
Taxation advisory services				
Other assurance services				
Operating lease rentals (premises)		145	125	145
Operating lease rentals (other)		846	943	846

Note 3 - Surplus on sale of fixed assets

There were no sales of assets during 2023/24.

Group

Proceeds from sale

Cost of sale

Total

Vehicles	Housing properties		As Restated - 2023	
	2024	Total	2024	Total
£'000	£'000	£'000	£'000	£'000
-	-	-	-	-
-	(2)	(2)	-	1
-	(2)	(2)	-	1

Association

Proceeds from sale

Cost of sale

Total

Vehicles	Housing properties		As Restated - 2023	
	2024	Total	2024	Total
£'000	£'000	£'000	£'000	£'000
-	-	-	-	-
-	(2)	(2)	-	1
-	(2)	(2)	-	1

Note 4 - Interest receivable and similar income

	Group		Association	
	2024	As Restated - 2023	2024	As Restated - 2023
	£'000	£'000	£'000	£'000
Interest on Deposit	718	0	718	0

Note 5 - Interest payable and similar charges

Group	Group		Association	
	2024	As Restated - 2023	2024	As Restated - 2023
	£'000	£'000	£'000	£'000
Loan interest and fees	4,246	3,861	4,246	3,861
Amortised transaction costs	605	209	605	209
Pension finance costs	50	200	50	200
Total	4,901	4,269	4,901	4,269

Note 6 - Directors' emoluments and staff costs

Directors' emoluments	Group		Association	
	2024	As Restated - 2023	2024	As Restated - 2023
	£'000	£'000	£'000	£'000
The remuneration paid to the executive directors was:				
Emoluments (including benefits in kind but before pension contributions)	383	181	383	181
Payments to for service of interim directors	0	325	0	325
Termination payments	0	237	0	237
	383	743	383	743
Emoluments (excluding pension contributions) paid to the highest paid senior executive	147	149	147	149
Termination payments made to the highest paid senior executive	0	125	0	125
Number of paid directors in the year	3	4	3	4

The Chief Executive is not a member of the Trivallis defined benefit scheme with no enhanced or special terms applied to his membership and Trivallis made no contribution to any individual pension arrangement in respect of the Chief Executive.

Remuneration of £13,280 was paid to the Group Board Chair. Board Members received expenses of £6,242 (2023: £5,522).

The emoluments of Directors, excluding pension contributions, were in the following ranges:

	Group	
	2024	As Restated - 2023
Full Year	No.	No.
£Nil*	-	-
£0-£10,000	9*	9*
£10,001- £20,000	1*	-
£20,001- £30,000	-	-
£30,001 - £40,000	-	1
£40,001 - £50,000	-	-
£50,001 - £60,000	-	-
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001+	3	3

*These figures relate to Board Members and include two co-optee's to the Board as detailed on [pages 29 -31](#). Executive Directors are not members of the Board.

Staff costs	Group		Association	
	2024	As Restated - 2023	2024	As Restated - 2023
Staff costs during the period:	£'000	£'000	£'000	£'000
Wages and salaries	14,583	12,888	14,583	12,888
Social security costs	1,408	1,325	1,408	1,325
Other pension costs (see Note 24)	2,138	4,960	2,138	4,960
Total staff costs	18,129	19,173	18,129	19,173

	Group		Association	
	2024	As Restated - 2023	2024	As Restated - 2023
	No.	No.	No.	No.
The average monthly number of staff – full time equivalent, comprising:				
Central Support Services, encompassing: Finance, HR, Corporate Service and Administration	482	452	482	452
Investment and Regeneration	108	97	108	97
Housing	42	43	42	43
Operatives	254	234	254	234
	78	78	78	78
Total	482	452	482	452
Staff employed at year end - full time equivalent	421	390	421	390

The net book value of housing properties held for letting includes £12.1m (2023: £10.0m) held under a finance lease arrangement, as disclosed in note 16.

Lloyds Banking Group have a fixed and floating charge over the remaining £189.3m (2023: £170.2m as disclosed in note 16).

Additions to housing properties held for letting includes £15.8m (2023: £15.8m) of capitalised major repairs and component replacements. There has been no impairment of properties during the year.

Note 7 - Group taxation

	2024 £'000	As Restated - 2023 £'000
Current tax		
UK corporation tax	-	-
Adjustment in respect of previous period	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Adj prev periods	-	-
Tax on surplus for the period	-	-

	2024 £'000	As Restated - 2023 £'000
Reconciliation of effective rate		
Surplus on ordinary activities before tax	6,765	2,851
Profit multiplied by current rate of tax of 25% (2023: 19%)	1,691	542
Effects of		
Changes in tax rates	-	-
Adjustment in respect of previous period	-	-
Non-taxable surpluses (due to Charitable status)	(1,691)	(542)
Total current tax charge	-	-

Note 8 - Group and Association intangible fixed assets

Group	2024	As Restated -
	Software	2023
	£'000	Total
		£'000
Cost		
At beginning of year	2,902	2,510
Additions during year	295	393
Disposals during year	-	-
At end of year	3,197	2,902
Depreciation		
At beginning of year	1,851	1,606
Charge for year	274	245
Depreciation on disposals	-	-
At end of year	2,125	1,851
Net book value		
At end of year	1,072	1,051
At beginning of year	1,051	904

Note 9 - Group and Association tangible fixed assets - housing & other properties

Association

	Housing properties held for letting	Housing properties in the course of construction	2024	As Restated - 2023
	£'000	£'000	Total £'000	Total £'000
Cost				
At beginning of year	263,106	6,589	269,694	254,543
Additions during year	15,842	5,035	20,877	15,802
Transferred to letting	4,900	(4,900)	-	-
Transferred to investment property	761	-	761	-
Disposals during year	(406)	-	(406)	(650)
Impairment during year	(369)	-	(369)	
At end of year	283,834	6,724	290,558	269,694
Depreciation				
At beginning of year	84,434	-	84,434	74,298
Charge for year	10,138	-	10,138	10,554
Depreciation on disposals	(206)	-	(206)	(418)
Depreciation on impairment	(231)	-	(231)	-
At end of year	94,135	-	94,135	84,434
Net book value				
At end of year	189,699	6,724	196,424	185,260
At beginning of year	178,671	6,589	185,260	180,245

Number of units in General Management

	2024	As Restated - 2023
	No.	No.
General needs	10,147	10,140
Leased	620	633
Garages	1,613	1,640
Retail	53	56
Market rent	32	52
Properties managed by Trivallis	2	2
Total	12,467	12,523

Note 10 - Tangible fixed assets – other

Group	Office premises	Scheme equipment	Vehicles & office equipment	2024 Total	As Restated - 2023 Total
Cost	£'000	£'000	£'000	£'000	£'000
At beginning of year	5,476	634	2,711	8,820	8,875
Additions during year	-	-	118	118	269
Transferred from Investment properties	284	-	-	284	-
Disposals during year	-	-	(46)	(46)	-
At end of year	5,760	634	2,783	9,176	9,145
Depreciation					
At beginning of year	1,768	473	2,639	4,880	4,994
Charge for year	101	47	109	257	211
Depreciation on disposals	-	-	(46)	(46)	-
At end of year	1,869	520	2,702	5,091	5,205
Net Book Value					
At end of year	3,891	113	81	4,085	3,940
At beginning of year	3,441	335	164	3,940	3,692

Association	Office premises	Scheme equipment	Vehicles & office equipment	2024 Total	As Restated - 2023 Total
Cost	£'000	£'000	£'000	£'000	£'000
At beginning of year	5,476	634	2,711	8,820	8,875
Additions during year	-	-	118	118	269
Transferred from Investment properties	284	-	-	284	-
Disposals during year	-	-	(46)	(46)	-
At end of year	5,760	634	2,783	9,176	9,145
Depreciation					
At beginning of year	1,768	473	2,639	4,880	4,994
Charge for year	101	47	109	257	211
Depreciation on disposals	-	-	(46)	(46)	-
At end of year	1,869	520	2,702	5,091	5,205
Net Book Value					
At end of year	3,891	113	81	4,085	3,940
At beginning of year	3,708	160	72	3,940	3,692

Note 11 – Investments

	Group		Association	
	2024 £'000	As Restated - 2023 £'000	2024 £'000	As Restated - 2023 £'000
Porthcwlis Limited	-	-	50	-
Cardiff Bay Homes LLP	-	-	374	-
Total	-	-	424	50

Investment properties with a value of £0 (2023 £3.9m) are held under a finance lease arrangement as disclosed in note 16.

Note 12 - Group and Association - investment properties

	2024 £'000	2023 £'000
At beginning of year	5,623	6,065
Additions	-	-
Transferred to Tangible fixed Assets - Other	(284)	(189)
Disposals	-	-
(Loss)/Surplus on revaluation	2,236	(253)
At end of year	7,575	5,623

Note 13 – Stock

Analysis of stock held:

	Group		Association	
	2024 £'000	As Restated - 2023 £'000	2024 £'000	As Restated - 2023 £'000
Maintenance consumables	205	241	205	241
Total	205	241	205	241

Note 14 – Debtors

	Group		Association	
	2024 £'000	As Restated - 2023 £'000	2024 £'000	As Restated - 2023 £'000
<i>Amounts due within one year</i>				
Arrears of rent	5,048	4,995	5,048	4,995
Less: Provision for bad and doubtful debts	(1,929)	(2,611)	(1,929)	(2,611)
	3,120	2,384	3,120	2,384
Staff car loans and other staff advances	23	22	23	22
Intercompany	-	-	-	-
Other debtors and prepayments	3,168	4,917	3,168	4,904
Total	6,311	7,323	6,311	7,310
<i>Amounts due after one year</i>				
Arrears of rent	469	483	469	483
Less: Provision for bad and doubtful debts	(281)	(249)	(281)	(249)
Total	188	234	188	234
Total Debtors	6,499	7,557	6,499	7,544

Note 15 - Creditors: amounts falling due within one year

	Group		Association	
	2024 £'000	As Restated - 2023 £'000	2024 £'000	As Restated - 2023 £'000
Maintenance and other supplies	1,473	4,305	1,473	4,305
Capital expenditure on housing properties	1,577	737	1,577	737
Loan interest	776	635	776	635
Accruals and deferred income	585	719	394	697
Prepayments of rents and service charges	941	1,239	941	1,239
Salary and other employee costs	108	58	108	58
Unamortised government grants	267	195	267	195
Intercompany	-	-	10	11
Bank loans due within one year	-	-	-	-
Other loans due within one year	300	-	300	-
Corporation tax	-	-	-	-
Deferred tax	-	-	-	-
Total	6,027	7,888	5,846	7,877

Note 16 - Creditors: amounts falling due after more than one year

	Group		Association	
	2024	As Restated - 2023	2024	As Restated - 2023
	£'000	£'000	£'000	£'000
Bank loans	50,000	49,428	50,000	49,428
Other loans	-	300	-	300
Other Creditors	-	-	-	-
Finance leases	18,945	18,482	18,945	18,482
Deferred income		578	-	-
Unamortised government grants	23,426	17,675	23,426	17,675
	92,371	86,463	92,371	85,884

Analysis of debt:

	Group		Association	
	2024	As Restated - 2023	2024	As Restated - 2023
	£'000	£'000	£'000	£'000
Non instalment debts falling due after more than 5 years	50,000	49,276	50,000	49,276
Debt instalments falling due after more than 5 years	18,945	17,482	18,945	17,482

Government Grants - Group and Association

	2024	As Restated - 2023
	£'000	£'000
At beginning of year	17,675	13,633
Transfer to creditors: Amounts due within one year	(243)	(195)
Grant received	5,994	4,238
At end of year	23,426	17,675

A loan facility of £55 million has been arranged with Lloyds Bank to enable Trivallis to undertake a major improvement programme to our housing stock. The unamortised value of £50 million (2023: £49 million) of this facility had been drawn down at the year end.

Following the year end, Trivallis has re-financed its loan facilities and agreed a £50m Revolving Credit Facility (RCF) with Lloyds Bank. This facility has been used to re-pay the existing loans at year end. In addition, Trivallis has signed a 'long term loan agreement' with the Principality Building Society for £25 million post year end.

Subsequently, the Transaction costs of £674,000 (2022: £724,000) in respect of the loan facility has been released via a prior year adjustment and the remaining amount has been fully provided for in the year. As at the year end, there were four embedded interest rate swaps in place in respect of these borrowings, each maturing in twenty years from the issue date (Restated 17 December 2018):

1. £5 million 1 October 2010 at 4.860% plus margin.
2. £15 million 3 October 2011 at 4.810% plus margin.
3. £10 million 1 October 2012 at 4.780% plus margin.
4. £20 million 18 December 2018 at 1.87% plus margin

These loans are secured through the Prudential acting as Security Trustee on all the housing stock as described in note 9.

There is a floating charge over all the housing stock. In September 2020 Trivallis applied for and was successful in obtaining an interest free loan via the Land for Housing Scheme 2020-21. This was for the pending Graig Ddu development and the amount borrowed was £300,000, and this remains outstanding at 31 March 2024.

The entire loan must be repaid on the earliest of:

- a. The issue of a certificate of practical completion of last unit in the housing development
- b. The fifth anniversary of the purchase of the land

The finance lease obligation relates to the units provided from funding received by M&G to facilitate the development of housing properties, which are situated on land that is leased from the funder, these have been handed over into management. Units developed include assets for social and market rent and are included in notes 10 and 12. The lease payments include annual increments linked to RPI and details of minimum lease payments are given in note 20.

Note 17 - Provisions for liabilities and charges

Group and Association	Insurance claims	Leased vehicles	Short Term Employment Benefits	Total
	£'000	£'000	£'000	£'000
As Restated - Opening balance at 1 April 2023	207	166	350	723
Released unused	(82)	-	(59)	(141)
Provision utilised	-	-	-	-
New provision made	-	36	-	36
Closing balance at 31 March 2024	124	202	291	618

Insurance claims money set aside to cover the excess value of outstanding insurance claims.

Leased vehicles to cover damage to leased vehicles at the end of the lease term.

Short term employment benefits the cost of employee's entitlement to outstanding leave at the balance sheet date.

Note 18 - Financial instruments

	Group		Association	
	2024 £'000	As Restated - 2023 £'000	2024 £'000	As Restated - 2023 £'000
Financial assets that are equity instruments measured at cost less impairment	-	-	-	-
Investment in subsidiary companies	-	-	50	50
Financial instruments that are debt instruments measured at amortised cost	-	-	-	-
Other debtors	5,350	4,483	5,350	4,470
Financial liabilities measures at amortised cost	-	-	-	-
Bank loan	50,000	-	50,000	-
Other loans	300	300	300	300
Finance leases	18,945	18,482	18,945	18,482
Trade creditors	2,446	2,406	2,446	2,406
Other creditors	108	58	98	69

Other debtors relate to the cash value of debtors less the accounting adjustment for prepayments. The bank loan is stated at amortised cost and is the total of amounts falling due within 1 year of £Nil (2023: £Nil) and amounts due after 5 years of £50 million (2023: £49 million).

The finance lease relates to the lease of certain market and social rent housing stock.

Trade creditors relate to maintenance and other supplies plus capital expenditure on housing properties.

Other creditors relate to salary creditors, intercompany creditors and corporation tax due, together with funding secured from M&G to develop properties on land leased from them.

Note 19 - Non-equity share capital

	2024 £	As Restated - 2023 £
At beginning of year	400	402
Issued during the year (unpaid)	0	0
Cancelled or redeemed during the year	(41)	(2)
At end of year	359	400

	2024 No:	As Restated - 2023 No:
Members who are tenants	351	396

There is 1 member who has no voting rights (Shadow Board Member).

The shares provide members with the right to vote at General Meetings, but the shares do not carry the right to dividend payments or distribution on winding up. Shares cancelled or redeemed are written back to reserves. All tenants who qualify are entitled to one share. There is no maximum number of shares that can be issued.

Note 20 – Commitments

Operating leases

As at 31 March 2024 minimum lease commitments under non-cancellable operating leases are as follows:

Minimum amounts payable as lessee

Within one year
Between two and five years
In more than five years

Group		Association	
2024	As Restated - 2023	2024	As Restated - 2023
£'000	£'000	£'000	£'000
416	499	416	499
139	82	139	82
-	-	-	-
555	581	555	581

Minimum amounts receivable as lessor

Within one year
Between two and five years
In more than five years

Group		Association	
2024	As Restated - 2023	2024	As Restated - 2023
£'000	£'000	£'000	£'000
85	161	85	161
161	346	161	346
-	4	-	4
247	511	247	511

Finance Leases

As at 31 March 2024 minimum lease commitments under finance leases are as follows:

Minimum amounts payable as lessee

Within one year
Between two and five years
In more than five years

Group		Association	
2024	As Restated - 2023	2024	As Restated - 2023
£'000	£'000	£'000	£'000
1,023	974	1,023	974
4,417	4,207	4,417	4,207
37,946	38,394	37,946	38,394
43,386	43,574	43,386	43,574

Group and Association Capital commitments

Amount of contracts for capital expenditure, not yet provided for
Amounts of capital expenditure approved by the Board but not contracted for:

- 20-year VAT Shelter capital expenditure to 2028 (additional 5 yrs from 2023-28)
- Non-VAT shelter 30-year capital expenditure

As Restated	
2024	- 2023
£'000	£'000
17,378	16,390
75,830	94,265
749,458	796,725

Capital commitments identified will be financed by the ongoing rental income streams from the housing stock, gap funding of £7.3 million per annum from the Welsh Government and a £55million loan facility with Lloyds Bank and further funding.

Note 21 - Notes to the Group cashflow statement

a. Reconciliation of operating surplus to net cash inflow from operating activities

	Group		Association	
	2024	As Restated - 2023	2024	As Restated - 2023
	£'000	£'000	£'000	£'000
Operating surplus	9,334	7,437	9,313	7,416
Depreciation of tangible fixed assets	10,395	10,764	10,395	10,764
Amortisation of intangible fixed assets	274	245	274	245
Assets written off	338	1,166	338	1,166
Amortisation of government grants	(243)	(192)	(243)	(192)
Post employment benefits less payments	40	3,050	40	3,050
Movement in provisions	(105)	72	(105)	72
Decrease/(Increase) in inventories	36	-	36	-
Deferred Income	(21)	(21)	-	-
Decrease in debtors	(807)	(3,134)	(807)	(3,134)
Decrease in creditors	(2,337)	243	(2,337)	243
Net cash inflow from operating activities	16,903	19,630	16,903	19,630

b. Free cashflow

	Group		Association	
	2024	As Restated - 2023	2024	As Restated - 2023
	£'000	£'000	£'000	£'000
Net cash inflow from operating activities	16,903	19,630	16,903	19,630
Interest paid	(2,589)	(2,585)	(2,589)	(2,585)
Interest received	718	-	718	-
Taxation paid	-	-	-	-
	15,032	17,045	15,032	17,045
Adjustments for reinvestment in properties				
Component replacements	(20,877)	(15,802)	(20,877)	(15,802)
Purchase of other replacement fixed assets	(413)	(662)	(413)	(662)
	(21,291)	(16,464)	(21,291)	(16,464)
Free cash (consumed)/generated before loan repayments	(6,259)	(581)	(6,259)	(581)
Loans repaid (excluding revolving credit and overdrafts)	-	-	-	-
Free cash generated/(consumed) after loan repayments	(6,259)	(581)	(6,259)	(581)

c. Reconciliation of net cash inflow to movement in net debt

	Group		Association	
	2024	As Restated - 2023	2024	As Restated - 2023
	£'000	£'000	£'000	£'000
Increase/(decrease) in cash	(1,441)	2,828	(1,441)	2,828
Increase/(decrease) in loans	1,035	543	1,035	543
Decrease/(Increase) in net debt	(407)	3,371	(407)	3,371
Net Debt at 1 April 2022	92,232	88,859	92,230	88,859
Net Debt at 31 March 2024	91,825	92,231	91,824	92,231

d. Analysis of net debt

Group

As Restated - At 1 April 2023

Net cashflows

At 31 March 2024

Association

As Restated - At 1 April 2023

Net cashflows

At 31 March 2024

Cash at bank and in hand	Loans due in less than 1 year	Loans due in more than 1 year	Changes in net debt
£'000	£'000	£'000	£'000
24,022	-	68,210	92,232
(1,441)	300	735	(407)
22,581	300	68,945	91,825
24,020	-	68,210	92,230
(1,441)	300	735	(407)
22,579	300	68,945	91,824

Note 22 - Related party transactions

RCTCBC is a party to the Transfer Agreement that established the Group and holds the right to nominate up to two members to the Board. Two council representatives served as members during the year. No remuneration is made to council representatives.

Rhondda Cynon Taff Pension Fund are considered to be a related party as a defined benefit pension provider for Trivallis. Details about transactions with the Pension Fund are included in note 24 to the accounts.

Key management personnel

The Board and Executive Management Team are considered to be key management personnel, together with the Directors of subsidiary companies. The remuneration for these individuals is disclosed in note 6 to the accounts.

Note 23 - Group and Association VAT shelter / development agreement

Trivallis entered into a VAT shelter co-incident with the date of transfer of the housing stock from RCTCBC to carry out an agreed schedule of refurbishment works to the properties. The value of these works was £359 million. The cost to RCTCBC of contracting for these works to be undertaken was offset against an equal increase in the purchase price of the stock paid by Trivallis. This transaction is not reflected in the financial statements in accordance with FRS102, reporting the substance of transactions over the legal form.

At the time of the agreement, the expected time frame to complete the first cycle refurbishment works to the housing stock transferred, was 15 years. However, these works are ongoing and are expected to be near completion by 2028. We have provided written notification to HMRC that we anticipate VAT Shelter works to continue for a further 5 years and this has been accepted by HMRC with no reservations. As such, the original time frame has been extended and as detailed in Note 20, it is envisaged that there will be a further £76 million expenditure on qualifying works over the additional 5 years. The works contracted will be recognised as they are undertaken, in accordance with the accounting policy for major, cyclical and responsive repairs. In the event Trivallis does not complete the work specified, the development agreement may be terminated at no financial loss to Trivallis.

Note 24 - Group and Association pensions

Introduction

The disclosures below relate to the funded liabilities within the Rhondda Cynon Taf Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS").

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations 2013' and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014'.

Funding/Governance Arrangements of the LGPS

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in the LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The last actuarial valuation was 31 March 2022 and the contributions to be paid until 31 March 2026 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate.

The Fund Administering Authority, Rhondda Cynon Taf County Borough Council is responsible for the governance of the Fund.

Assets

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return over the accounting period. The Fund holds a significant proportion of its assets in liquid investments. Consequently, there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the disclosures.

The Fund Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Risks associated with the Fund in relation to accounting

Asset volatility: The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields at the accounting date. If assets underperform this yield this will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which while expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures.

Changes in bond yield: A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result (to the extent the Fund invests in corporate bonds).

Inflation risk: Most of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit.

Life expectancy: Most of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Existing employers: Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on the other employers in the Fund. Further the assets at exit in respect of 'orphan liabilities' may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

Future contributions

Regular employer contributions to the fund for the year ending 31 March 2024 are estimated to be £2,367,768. In addition, strain on fund contributions may be required. Strain costs apply when an employee accesses their pension fund earlier than their normal retirement date.

Assumptions

Principal financial assumptions: The latest full actuarial valuation of the fund took place on 31 March 2024. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the fund for FRS 102 purposes were:

	31 March 2024 (%pa)	31 March 2023 (%pa)
CPI inflation	2.6	2.6
Rate of general long-term increase in salaries	3.85	3.85
Rate of increase to pensions in payment	2.6	2.6
Rate of increase to deferred pensions	2.6	2.6
Discount rate	4.8	4.6

Principal demographic assumptions:

Post retirement mortality

Males

Base table
Scaling to above base table rates
Cohort improvement factors (from 2007)
Future lifetime from age 65 (currently aged 65)
Future lifetime from age 65 (currently aged 45)

Females

Base table
Scaling to above base table rates
Cohort improvement factors (from 2007)
Future lifetime from age 65 (currently aged 65)
Future lifetime from age 65 (currently aged 45)

	31 March 2024	31 March 2023
Standard SAPS normal health all amounts (S1NMA)	Standard SAPS normal health all amounts (S1NMA)	Standard SAPS normal health all amounts (S1NMA)
Scaling to above base table rates	100%	100%
Cohort improvement factors (from 2007)	CM12012	CM12012
Future lifetime from age 65 (currently aged 65)	21.0	21.6
Future lifetime from age 65 (currently aged 45)	22.3	22.9
Standard SAPS normal health all amounts (S1NFA)	Standard SAPS normal health all amounts (S1NFA)	Standard SAPS normal health all amounts (S1NFA)
Scaling to above base table rates	95%	95%
Cohort improvement factors (from 2007)	CM12012	CM12012
Future lifetime from age 65 (currently aged 65)	23.8	24.2
Future lifetime from age 65 (currently aged 45)	25.2	25.7

The mortality assumptions are based upon actual mortality experience of members within the Fund based on analysis carried out as part of the 2024 valuation and allow for future mortality

improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown above.

Trivallis employs a building block approach in determining the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The asset split is set below:

	Asset split at 31 March 2024 (%)	Asset split at 31 March 2023 (%)
Equities	64.0	68.1
Property	6.5	7.8
Government bonds	12.2	10.5
Corporate bonds	15.6	12.4
Other	1.3	0.5
Cash	0.4	0.7
Total	100	100

The overall expected rate of return on assets is derived by aggregating the expected rate of return for each asset class over the actual asset allocation for the fund as at 31 March 2024.

Reconciliation of funded status to Balance Sheet - Group and Association

	Value as at 31 March 2024 (£'000)	Value as at 31 March 2023 (£'000)
Fair value of assets	101,650	90,220
Present value of funded liabilities	74,970	73,470
Funded Status	26,680	16,750
Unrecognised asset	26,680	16,750
Asset/(liability) recognised on the balance sheet	-	-

Analysis of charge / (credit) in the Income and Expenditure Account - Group and Association

	For year ended 31 March 2024 (£'000)	For year ended 31 March 2023 (£'000)
Current service cost	2,360	5,090
Past service cost / (credit)	0	10
Curtailment Cost	0	0
Interest cost	50	200
Total	2,310	5,300

Changes to the present value of the defined benefit obligation

	For year ended 31 March 2024 (£'000)	For year ended 31 March 2023 (£'000)
Opening present value of liabilities	73,470	105,700
Current service cost	2,360	5,090
Interest expense on defined benefit obligation	3,360	2,830
Contributions by participants	920	800
Actuarial (gains) / losses on scheme liabilities *	(3,030)	(46,950)
Net benefits paid out #	(1,870)	(2,510)
Curtailment Cost	0	0
Actuarial (gains)/losses under demographic assumptions	(1,140)	(120)
Actuarial (gains) / losses due to liability experience	900	8,620
Past service cost / (credit)	0	10
Closing present value of liabilities	74,970	73,470

* Includes changes to the actuarial assumptions.

Consists of net cash-flow out of the fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

Changes to the fair value of assets during the year

	For year ended 31 March 2024 (£'000)	For year ended 31 March 2023 (£'000)
Opening fair value of assets	90,220	97,210
Interest income on assets	4,180	2,630
Actuarial (losses) / gains on assets*	5,980	(9,960)
Contributions by the employer	2,220	2,050
Contribution by participants	920	800
Net benefits paid out #	(1,870)	(2,510)
Closing fair value of assets	101,650	90,220

* Includes changes to the actuarial assumptions.

Consists of net cash-flow out of the fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

Actual return on assets

	For year ended 31 March 2024 (£'000)	For year ended 31 March 2023 (£'000)
Interest income on assets	4,180	2,630
Actuarial gains on assets	5,980	(9,960)
Actual return on assets	10,160	(7,330)

Analysis of amount recognised in the Other Comprehensive Income ("OCI")

	For year ended 31 March 2024 (£'000)	For year ended 31 March 2023 (£'000)
Total actuarial gains	90	11,740
Total gain	90	11,740

History of asset values, present value of liabilities and deficit

Fair value of assets

Present value of liabilities

Unrecognised asset

Deficit

As at 31 March 2024 (£'000)	As at 31 March 2023 (£'000)
101,650	90,220
(74,970)	(73,470)
(26,680)	(16,750)
-	-

History of experience losses and gains

Experience (losses)/gains on assets

- Amount
- Percentage of assets

Experience (losses)/gains on assets

- Amount
- Percentage of the present value of the liabilities

As at 31 March 2024 (£'000)	As at 31 March 2023 (£'000)
26,680	16,750
26.24%	18.56%
900	8,620
0.9%	9.55%

Note 25 - Subsidiary undertakings

The board considered Trivallis to be the ultimate parent undertaking of Porthcwlis Limited, a company limited by guarantee, which is dormant. Trivallis is also the ultimate parent of Cardiff Bay Homes LLP (formerly known as Bellerophon (Project 1) LLP), owning 98% directly, with the remaining 2% owned by Porthcwlis Limited.

Note 26 - Contingent liability

Electrical Installation Condition Report (EICR)/Rent and Homes for Wales Act (RHWA)

As a result of an administrative error, Trivallis was in a possible technical breach of a legal requirement under the Renting Homes (Wales) Act 2016 at the year end. Remedial action has been taken to ensure that we are no longer in breach of the act. There is a current legal case ongoing and RSL is liaising with Welsh Government in that regard. Having taken legal advice, we have assessed that the likelihood of an outflow of resources to settle this potential liability following the court case is less than probable but (acknowledging the inherent uncertainty in any legal dispute) is more than remote. A high level of uncertainty remains because the interpretation of the requirements under the Renting Homes (Wales) Act varies between different legal advisors and need clarification which will only be possible after Court judgements have been issued, hence the financial effect cannot currently be measured with sufficient reliability.

Note 27 - Prior period adjustments

Prior period adjustments have been made to restate the comparatives within these financial statements to correct for a material accounting errors relating to the previous years. Housing depreciation has been added to the value of £937k and work in progress/asset write offs of £946k, not previously recognised in the financial statements.

In addition, Housing Finance Grant (HFG) has been incorrectly accounted for within the financial statements in the past and the cumulative adjustments have been made to rectify. The social grant income has been overstated by £236K and the interest payable has been overstated by £318K leaving a net adjustment of £82K.

Loan amortisation costs had also been understated by £152K cumulatively to date.

Loan interest costs were understated by £12k, cumulatively to date, relating to a Welsh Government loan for £300k.

Overall, the adjustments total £1,965K and have reduced the cumulative reserves brought forward at 1 April 2023 from £135,208K to £133,243K.