



REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2025

MELIN HOMES LIMITED

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MELIN HOMES LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

For the year ended 31 March 2025

Welsh Government Registered Social Landlord Number: **L110**
Co-operative and Community Benefit Societies Act 2014 Register Number: **27421R**

Chair M Reed

Vice Chair A Hearn

Other Members:

W Bowler	S Tipping
L Howells (resigned Feb 2025)	J Jackson
P Crockett	B Thompson
P Kennedy	S Salisu
J Thomas	N Thomas
	C Marshall

Company Secretary: T Broadhead

Management Team:

- P Kennedy (Chief Executive)
- P Crockett (Executive Director of Growth & Development)
- J Kirrane (Executive Director of Operations)
- A Huckin (Executive Director of Innovation, Culture & Improvement)

Registered Office: Ty'r Efail, Lower Mill Field
Pontypool, Torfaen, NP4 0XJ

Internal Auditors: TIAA
Artillery House
Fort Fareham
Newgate Lane
Fareham
PO14 1AH

Statutory Auditors: Menzies LLP, Statutory Auditors
5th Floor Hodge House
114-116 St Mary Street
Cardiff
CF101DY

Solicitors: Blake Morgan
Bradley Court
Park Place
Cardiff, CF10 3DP

Bankers: Barclays Bank plc
3rd Floor, Windsor Court, 3 Windsor Place, Cardiff, CF10 3ZL

MELIN HOMES LIMITED

VISION, VALUES AND STRATEGY

Melin Homes seeks to be a dynamic organisation that works with others to make a positive difference to the people and communities we work with. We provide quality homes and services in Blaenau Gwent, Monmouthshire, Newport, Powys and Torfaen.

As a registered social landlord, we work closely with local authorities and other partners to build thriving communities. Our mission is to make a positive impact on neighbourhoods by providing high-quality social housing to those who need it. We also give financial advice to our tenants and organise community events to enhance the lives of residents.

This will be the last set of accounts for Melin Homes. Melin has embarked on a merger with Newport City Homes to create a new landlord, Hedyn. The vision and values work carried out at Melin will influence the approach of the new organisation. However, the vision will be new and reflect the size and complexity of the new company.

Why do we exist

We exist to create opportunities for people and communities to thrive

How do we behave?

Together we can...

- Do the right thing
- Find a way
- Make things happen
- Make a difference
- Enjoy the journey

What we do:

The Melin SMaC Recipe:

- Deliver our purpose and live our values
- Build and maintain affordable homes
- Be a good employer
- Be proactive about collaborative and partnership working
- Listen to and engage with our residents and communities
- Grow our business in a sustainable and ethical way
- Only do things that benefit our residents or communities
- Deliver core services only in South East Wales
- Don't undertake activity that will put our reputation, assets or financial viability at risk
- Only carry out core enabling activities if costs are covered or surplus generated, if commercial, that can be reinvested into core
- Not provide services that are the statutory duty of others unless we are so commissioned

Corporate Strategy

The Association's corporate strategy is set out in a separate document which is reviewed annually. The strategy outlined the direction of travel for Melin Homes, whilst recognising the landscape and operating environment in which we work will continue to change. Now that Melin has embarked on a merger with Newport City Homes, there will be a new corporate strategy.

MELIN HOMES LIMITED

CHAIR'S STATEMENT

As we reflect on our performance over the last 12 months, this annual report also marks the end of a significant chapter in our evolution, as our merger with Newport City Homes completed on 1 April 2025. Through this, we've created a brand-new organisation, Hedyn, with a strong future.

Successful new beginnings require solid foundations. And we're pleased that, throughout the reporting period to 31 March 2025, we've provided Hedyn with good grounding.

We continued to deliver for our customers and communities. Our colleagues worked with the same unrelenting passion to deliver our ambitions; all while preparing for transition into Hedyn – and engaging residents to help shape the change.

Thanks to the continuing dedication of our staff we delivered 117 new homes, have 318 in the pipeline for the coming year, invested £7.9m in our existing homes and helped 27 people into employment.

Melin is not just a landlord; we also provide services to our communities by providing resource to assist our tenants in securing employment and helping them navigate the benefit system to ensure they receive the financial support they are entitled to receive.

These are just two ways that we engage with our tenants and whilst we are always exploring new avenues of communication and feedback, we held over 90 events during the year involving over 1400 residents, to ensure we are not just an outstanding landlord but understand the needs and support required in our homes and communities.

While all annual reports provide an opportunity consider what's been achieved, this one is more meaningful than most. It gives us assurance that we start our fresh chapter on a strong financial footing, with much to offer.

We now look forward, united behind Hedyn's vision, to build connected communities where everyone can live well.

MELIN HOMES LIMITED

REPORT ON HOUSING ASSOCIATION GOVERNANCE

The Board is responsible for ensuring that the Association maintains a system of internal financial control, including suitable monitoring procedures to review its effectiveness. The system is designed to manage rather than eliminate risk of failure to achieve business objectives. However, any such system can only provide reasonable, and not absolute, assurance against material misstatement or loss.

In fulfilling these responsibilities, the Board has reviewed the effectiveness of the system of identifying, evaluating and managing the significant risks on the basis of the principles of corporate governance contained in Community Housing Cymru (CHC) Code of Governance and Welsh Government Housing circular RSL 02/10, Internal Controls and Reporting. The Board has considered all of the major business and financial risks.

Governance and financial control have been subject to regular review and the following implemented:

- control of key financial risks through clearly defined authorisation levels and proper segregation of duties;
- risk assessment procedures for the appraisal of all property development schemes;
- regular budgetary monitoring and reporting of operating surpluses, balance sheets and cash flows to the Board;
- reports by senior officers, internal and external auditors on the system of internal financial controls and compliance with key internal procedures, including those relating to income, payroll and payments, contracts, treasury management, new developments and the safeguarding of the Association's assets;
- clear responsibilities on the part of key members of staff for the maintenance of sound financial controls and the production of reliable and timely financial management information;
- procedures and policies are in place to ensure the prevention, detection and reporting of frauds and including a review by the Board of the current register of frauds.

No weaknesses in internal control have been found which would result in any material losses, contingencies or uncertainties which would require disclosure as recommended by the above mentioned circular.

On the basis that a system can provide only reasonable, but not absolute assurance and that it relates to the needs of the business, the system as a whole was found at the time of approving the financial statements to be generally appropriate to the scale of the Association's activities.

MELIN HOMES LIMITED

REPORT ON HOUSING ASSOCIATION GOVERNANCE (continued)

To effectively discharge its functions the Board is required to have a knowledgeable and balanced membership. The Association actively seeks to maintain a membership which contains a broad range of skills, background and interests from which suitable members of the Board of Management can be drawn. The Board consider that it needs experience and understanding in all areas of the business that is Melin to discharge its responsibilities effectively. Where new skills are required which cannot be met by training the Association will use co-option.

The number of Board places reserved for residents will be limited to 1/5 of the Board. This is only available to residents of the Association which have been elected by the residents of the Association. Residents who have been elected to the Board will serve for 3 years from the date of the election and will be eligible to be nominated for re-election.

Residents elected to the Board must comply with the obligations on all Board members as laid down by the Association's rules and will immediately cease to be Board members if they cease to be a tenant of the Association.

MELIN HOMES LIMITED

REPORT OF THE BOARD

The Board presents its report for the year ended 31 March 2025.

The Group

The Group is a not-for-profit organisation administered by a remunerated Board of Management. The Group is zoned to operate throughout Blaenau Gwent, Monmouthshire, Newport, Powys and Torfaen and operates from two offices based in Pontypool. The Group operates and provides 4,946 units of accommodation. It has housing properties which have a NBV of £361 million. It employs 229 people of whom 158 provide housing related services.

Principal Activities

The Group's principal activities are the development and management of social housing together with the provision of excellent services to our customers.

Board Members and Senior Officers

The present Board members and Senior Officers of Melin are set out on page 2.

Employees

In addition to the Board, the strength of the Group lies in the quality and commitment of its employees. Our ability to meet our strategic aspirations is determined by the contribution that is made by all staff and in all parts of the business.

In recognition of this we have continued to invest in our people and create a positive working environment and culture.

We continue to support our staff in understanding the role they play in delivering the Group's objectives and the progress that is being made thanks to their input. The Group provides training to support both organisational and individual development and seeks peoples' views on how to meet challenges and improve services.

Our staff have been rewarded for their hard work with the national recognition of Investors In People Gold, Customer Service Excellence, Corporate Health Standard Platinum and Best Companies accreditation.

The Group is committed to providing equality of opportunity and embracing the diversity of all its current and future employees.

Health and Safety

The Board is aware of its responsibilities on all matters relating to health and safety. Melin employs a Head of Corporate Health and Safety, who has prepared detailed health and safety policies and provides staff training and education on health and safety matters.

MELIN HOMES LIMITED

REPORT OF THE BOARD (continued)

Officers' Insurance

The Group has maintained insurance against the liabilities of all the Board members and Senior Officers in relation to the Group.

Performance for the Year

The Group achieved a deficit for the year of £906k compared to last year's surplus of £974k.

Melin was also able to make significant achievements with some highlights stated below:

- Rent arrears remained low during the year and stood at 1.69% in March 2025;
- Former tenant arrears remained low in March 2025 at 0.57%;
- Voids losses stood at 1.11% at March 2025,
- Gas compliance stood at 99.48% at March 2025;
- Average satisfaction with reactive repairs stood at 88.75% in March 2025;
- Melin's effective cash management, together with low interest rates, generated savings of £331k in loan interest against the budgeted amount.

Environmental (E), Social (S) and Governance(G) Targets

ESG targets are a hot topic at the moment and are now being incorporated into new loan facilities to ensure that RSL's are doing what they should be doing and that Banks are playing their part in ensuring that this is the case. Melin has set the following targets linked to its current Corporate Strategy:

KPI	Target	21/22 Target	21/22 Actual	22/23 Actual	22/23 Target	23/24 Actual	23/24 Target	24/25 Actual	24/25 Target
Social – Tenancy Sustainability	Number of tenancy failures as a % of the residential tenancies granted by Melin during the year	3%	0.28%	2%	3%	0.32%	3%	3%	3%
Environmental – Improving efficiency of current stock	Average SAP rating of existing housing properties with actual EPC's	77.99	78.28	78.31	78.16	78.41	78.41	77.34	78.66
Governance – Gender Pay Gap	Melin improves or maintains its Median Gender Pay Gap performance	+/-1%	0.21%	0.21%	+/-1%	0%	+/-1%	0%	+/-1%

The Association is committed to maximising the resources available to it and generating sufficient reserves to protect our core business and pursue our future aspirations. As we do this we have a clear understanding of our risk appetite and the need to meet the following funding requirements:

- Maintaining the Group's housing properties in a sound state of repair;
- Financing long term loan repayments;
- Providing a cushion against risk and future uncertainties; and
- Financing new schemes and developments internally.

Future Developments

The Group is zoned to operate and provide new homes in Blaenau Gwent, Monmouthshire, Newport, Powys and Torfaen Council areas. Following the merger on 1st April 2025, the Growth Strategy for Hedyn will consider how we continue to seek new and innovative ways of providing new homes and improving service delivery.

Housing Properties

The Group spent £49 million on the acquisition and development of housing properties. This was financed primarily through Grants of £11 million and internal financing of £38 million was recovered in the form of loans.

Cash Flow and Liquidity

The net cash outflow during the year was £1,454k compared to an inflow of £3,949k in 2023/24. £13.5 million was drawn down during the year on our Barclays RCF, and £8.5m of our Santander loan was paid off.

MELIN HOMES LIMITED

REPORT OF THE BOARD (continued)

Capital Structure

Housing properties (£361 million) are financed by grants of £176 million (49%), loans of £153 million (42%) and cumulative internal funds of £32 million (9%).

Going Concern

The financial statements have not been prepared on a going concern basis due to the post year end merger into Tai Hedyn Limited (see note 28 for further details). However, no adjustments to the financial statements are required as a result of reporting on a non-going concern basis.

Risk

Our approach to risk has always been to embed risk management practices into day-to-day activities as much as possible and ensure that it is part of the culture of the organisation to manage risk effectively. Melin's Board and staff are committed to ensuring that risk is minimised as we seek to achieve our objectives and that effective risk management continues to underpin the delivery of our corporate vision and values. Melin has consistently increased our focus on the management of risk and has aligned our risk register in accordance with the Welsh Government's assessment of sector-wide risks.

Our methods of reviewing, monitoring and assessing risk has ensured that we operate in an environment where emerging risks can be planned for in advance to minimise potential impact on our business and financial performance. Melin has developed a Board Assurance Framework (BAF) that links our strategic risks to our internal performance measures as well as our external assurances. This ensures that our risk management processes consider the bigger picture and we are able to identify emerging risks at an earlier stage. The Audit and Assurance Committee are responsible for monitoring the effectiveness of our BAF, which forms part of the quarterly reporting presented to the sub-Committee and Board. We encourage our leaders to monitor and manage their operational risks and ensure strategic links are made to the BAF where relevant.

Below are the most significant strategic risks currently facing Melin, along with a summary of control measures in place:

Merger – Work is progressing at the planned pace. The Business Case has been approved by both Boards along with the final Heads of Terms. Workstreams are focussing on the day 1 priorities and beyond. Merger is on course to be completed successfully.

Damp and Mould - KPIs on Damp/Mould examined and reviewed. Cases are now reported as part of the Compliance Update to Audit Committee. Administrators are constantly monitoring and cleansing data to keep accurate information. New processes around managing Damp and Mould cases are being embedded and will be subject to a full quality review.

Cyber Security – Cyber security attacks within the sector are on the rise, Melin have taken steps to increase security and protection. Third party penetration testing is done on annual basis to check and review the effectiveness of our server security. Last test was done in August 2024. The internal audit for Cyber Security has taken place and reasonable assurance was awarded. The team are implementing the recommendations as part of the merger process.

Statement of the Responsibilities of the Board for the Financial Statements

The Co-operative and Community Benefit Societies Act and Registered Social Housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those financial statements, the Board has:

- selected suitable policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards and the Statement of Recommended Practice "Accounting by Registered Housing Associations"; and
- prepared the financial statements on a going concern basis unless it is inappropriate to presume the company will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Social Landlords registered in Wales General Determination 2015. It is also responsible for safeguarding the assets of the Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Board is aware:

- there is no relevant audit information of which the Association 's auditors are unaware; and
- the Board have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Annual General Meeting

The annual general meeting will be held on 24 September 2025 at Nexus House, Newport.

Auditors

A resolution to appoint the external auditors of Tai Hedyn Limited will be proposed at the annual general meeting.

The report of the Board was approved on 23 July 2025 and signed on its behalf by:



L Sagona
Chair

Independent Auditor's Report to the Members of Melin Homes Limited

Opinion

We have audited the financial statements of Melin Homes Limited (the 'Association') and its subsidiary (the Group) for the year ended 31 March 2025 which comprise the Consolidated Statement of comprehensive income, the Consolidated and Association on Statement of Changes in Reserves, the Consolidated and Association on 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 2025 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.

Emphasis of matter

As discussed in the basis of preparation paragraph in the accounting policies in note 2, Melin was merged into Hedyn from 1 April 2025 and as such, the Board do not consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 2. Our opinion is not modified in this respect.

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 RSL 02/10 “Internal controls and reporting”

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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 a satisfactory system of control over transactions; or
- the Association has not kept adequate accounting records; or
- the Association’s financial statements are not in agreement with books of account; or
- we have not 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 XX, 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 on the basis of these financial statements.

The extent to which our procedures are capable of detecting 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.
- 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 read minutes of meetings of those charged with governance and reviewed internal audit reports
- 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.

Menzies LLP

Menzies LLP, Statutory Auditors
5th Floor Hodge House
114-116 St Mary Street
Cardiff
CF10 1DY

Date 26 August 2025

MELIN HOMES LIMITED

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2025

	Notes	GROUP		ASSOCIATION	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Turnover	3	43,236	37,462	32,220	28,467
Less: Operating costs	3	<u>(36,429)</u>	<u>(29,842)</u>	<u>(25,202)</u>	<u>(21,832)</u>
Operating surplus	6	6,807	7,620	7,018	6,635
Surplus on sale of fixed assets		0	22	0	22
Exceptional Item; Merger Costs	28	(1,940)	(541)	(1,940)	(541)
Interest receivable	7	560	315	560	315
Interest payable	8	(6,275)	(5,358)	(6,079)	(5,208)
Fair Value Movement on Investment Properties		-	-	-	-
(Deficit)/ Surplus before tax		<u>(848)</u>	<u>2,058</u>	<u>(441)</u>	<u>1,223</u>
Taxation	25	<u>(127)</u>	<u>(236)</u>	<u>(127)</u>	<u>(28)</u>
(Deficit)/ Surplus for the year after taxation		<u>(975)</u>	<u>1,822</u>	<u>(568)</u>	<u>1,195</u>
		(975)	1,822	(568)	1,195
Actuarial gain/(loss) on pension	21	69	(848)	69	(848)
Total comprehensive expenditure/ income		<u><u>(906)</u></u>	<u><u>974</u></u>	<u><u>(499)</u></u>	<u><u>347</u></u>

HISTORICAL COST

There is no difference between the reported surplus and the historical surplus.

MELIN HOMES LIMITED

Consolidated Statement of Changes in Reserves

For the year ended 31 March 2025

GROUP

	Revenue Reserve £'000	Total Reserves £'000
At 1 April 2024	33,746	33,746
Deficit from statement of comprehensive income	(975)	(975)
Actuarial movement	69	69
Transfers to reserves	-	-
Transfers (from) reserves	-	-
At 31 March 2025	<u>32,840</u>	<u>32,840</u>

ASSOCIATION

	Revenue Reserve £'000	Total Reserves £'000
At 1 April 2024	33,085	33,085
Deficit from statement of comprehensive income	(568)	(568)
Actuarial movement	69	69
Transfers to reserves	-	-
Transfers (from) reserves	-	-
At 31 March 2025	<u>32,586</u>	<u>32,586</u>

MELIN HOMES LIMITED

Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	GROUP		ASSOCIATION	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Tangible fixed assets					
Housing properties - gross cost	10	419,380	396,237	410,315	388,886
- depreciation	10	<u>(57,912)</u>	<u>(54,137)</u>	<u>(57,912)</u>	<u>(54,137)</u>
		361,468	342,100	352,403	334,749
Long Term Investments	11	26,606	26,019	26,606	26,019
Other	12	2,923	2,879	2,923	2,879
Current assets					
Investments		113	113	113	113
Debtors: amounts falling due within one year	13a	9,663	5,312	18,033	11,420
Debtors: amounts falling due after more than one year	13b	9,953	10,448	9,953	10,448
Housing Properties Held for Sale	27	-	614	-	614
Cash at bank and in hand		<u>10,242</u>	<u>11,765</u>	<u>9,739</u>	<u>11,586</u>
		29,971	28,252	37,838	34,181
Current liabilities					
Creditors: amounts falling due within one year	14	(73,522)	(21,688)	(72,578)	(20,927)
Grants: amounts falling due within one year	17	<u>(1,550)</u>	<u>(1,469)</u>	<u>(1,550)</u>	<u>(1,469)</u>
		(75,072)	(23,157)	(74,128)	(22,396)
Net current assets		<u>(45,101)</u>	<u>5,095</u>	<u>(36,290)</u>	<u>11,785</u>
Total assets less current liabilities		345,896	376,093	345,642	375,432
Non-current liabilities					
Creditors: amounts falling due after more than one year	15	(137,958)	(176,332)	(137,958)	(176,332)
Grants: amounts falling due after more than one year	17	<u>(174,534)</u>	<u>(165,167)</u>	<u>(174,534)</u>	<u>(165,167)</u>
		(312,492)	(341,499)	(312,492)	(341,499)
Pension Liability	21	<u>(564)</u>	<u>(848)</u>	<u>(564)</u>	<u>(848)</u>
Net assets		<u>32,840</u>	<u>33,746</u>	<u>32,586</u>	<u>33,085</u>
Capital and reserves					
Designated reserve		-	-	-	-
Revenue reserve		<u>32,840</u>	<u>33,746</u>	<u>32,586</u>	<u>33,085</u>
		<u>32,840</u>	<u>33,746</u>	<u>32,586</u>	<u>33,085</u>

The financial statements were approved by the Board on 23 July 2025 and were signed on its behalf by:



L Sagona
Chair



M Reed
Vice Chair



J Fairley
Company Secretary

The notes on pages 22 to 43 form part of the financial statements.

MELIN HOMES LIMITED

STATEMENT OF CONSOLIDATED CASH FLOW Year Ended 31 March 2025

	Note	12m ended 31 Mar 2025 £'000	GROUP 12m ended 31 Mar 2024 £'000	12m ended 31 Mar 2025 £'000	ASSOCIATION 12m ended 31 Mar 2024 £'000
Net cash inflow from operating activities	1	13,831	16,386	11,389	15,928
Returns on investment and servicing of finance					
Interest paid		(6,280)	(5,228)	(6,084)	(5,078)
Interest received		560	315	560	315
Tax paid		(237)	(19)	(28)	(11)
		(5,957)	(4,932)	(5,552)	(4,774)
Adjustments for reinvestment in existing properties					
Component replacements		(7,884)	(3,001)	(7,884)	(3,001)
Purchase of other replacement fixed assets		(104)	(24)	(104)	(24)
Free cash generated/(consumed) before loan repayments		(114)	8,429	(2,151)	8,129
Loans repaid (excluding revolving credit facilities)		(9,441)	(2,746)	(9,441)	(2,122)
Free cash consumed after loan repayments		(9,555)	5,683	(11,592)	6,007
Capital expenditure and financial investment					
Purchase and construction of housing properties		(49,145)	(43,402)	(25,511)	(29,981)
Component expenditure		(7,884)	(3,001)	(7,884)	(3,001)
Government grants received		12,138	5,296	12,138	5,296
Grants repaid		128	631	128	631
Purchase of other fixed assets		(386)	(195)	(386)	(195)
Sale of other fixed assets		0	56	0	56
Care & Repair/Merger Reserves		(1,940)	(541)	(1,940)	(541)
Sale of housing properties and fixed asset investments		33,633	16,397	11,712	3,354
		0	0	0	0
Fair Value Movement on Investment Properties		0	0	0	0
Net cash inflow/(outflow) from investing activities		(13,456)	(24,759)	(11,743)	(24,381)
Free cash inflow/(outflow) before financing		(5,582)	(13,305)	(5,906)	(13,227)
Financing					
Housing loans received		13,500	20,000	13,500	20,000
Housing loans repaid		(9,441)	(2,746)	(9,441)	(2,122)
Free cash (outflow)/inflow from financing		4,059	17,254	4,059	17,878
(Decrease)/Increase in cash	2	(1,523)	3,949	(1,847)	4,651

MELIN HOMES LIMITED

RECONCILIATION OF THE OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	GROUP		ASSOCIATION	
	12m ended 31 Mar 2025 £'000	12m ended 31 Mar 2024 £'000	12m ended 31 Mar 2025 £'000	12m ended 31 Mar 2024 £'000
1 Operating surplus	6,807	7,620	7,018	6,635
Depreciation of tangible assets	4,864	4,222	4,864	4,222
Surplus on sale of assets	(1,208)	(493)	(1,208)	(493)
(increase)/decrease in debtors	(3,524)	931	(5,786)	1,477
increase/(decrease) in creditors	8,555	2,969	8,164	2,950
Increase in stock	0	0	0	0
Non cash movement in pension	(215)	2,563	(215)	2,563
Amortisation of grant	(1,448)	(1,426)	(1,448)	(1,426)
Net cash inflow from operating activities	<u>13,831</u>	<u>16,386</u>	<u>11,389</u>	<u>15,928</u>

RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET DEBT

	12m ended 31 Mar 2025 £'000	12m ended 31 Mar 2024 £'000	12m ended 31 Mar 2025 £'000	12m ended 31 Mar 2024 £'000
2 (Decrease)/Increase in cash in the year	(1,523)	3,949	(1,847)	4,651
Cash inflow from changes in debt	(4,059)	(17,254)	(4,059)	(17,878)
Non cash movement on debt	0	0	0	0
Movement in net debt in the period	<u>(5,582)</u>	<u>(13,305)</u>	<u>(5,906)</u>	<u>(13,227)</u>
Net debt at start of year	(136,939)	(123,634)	(137,118)	(123,891)
Net debt at end of year	<u>(142,521)</u>	<u>(136,939)</u>	<u>(143,024)</u>	<u>(137,118)</u>

3 ANALYSIS OF CHANGES IN NET DEBT

ASSOCIATION	31 Mar 2024 £'000	Cash flows £'000	Non cash amendments	31 Mar 2025 £'000
Cash in hand and at bank	11,586	(1,847)	-	9,739
	<u>11,586</u>	<u>(1,847)</u>	-	<u>9,739</u>
Debt due in less than one year	(1,849)	(46,148)	-	(47,997)
Debt due in more than one year	(146,855)	42,089	-	(104,766)
Balance at end of year	<u>(137,118)</u>	<u>(5,906)</u>	0	<u>(143,024)</u>
GROUP	31 Mar 2024 £'000	Cash flows £'000	Non cash amendments	31 Mar 2025 £'000
Cash in hand and at bank	11,765	(1,523)	-	10,242
	<u>11,765</u>	<u>(1,523)</u>	-	<u>10,242</u>
Debt due in less than one year	(1,849)	(46,148)	-	(47,997)
Debt due in more than one year	(146,855)	42,089	-	(104,766)
Balance at end of year	<u>(136,939)</u>	<u>(5,582)</u>	0	<u>(142,521)</u>

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. Legal Status

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is a Registered Social Landlord.

2. Accounting Policies

Basis of Accounting

The principal accounting policies of the Group and Association are set out below. The financial statements of the Association have been prepared in accordance with applicable accounting standards in the United Kingdom, including the Statement of Recommended Practice for "Accounting by Registered Social Housing Providers" as updated in 2018 (SORP 2018), and comply with the Accounting Requirements for Social Landlords registered in Wales General Determination 2015.

Turnover

Turnover comprises:

- a) rental income and service charges receivable from tenants less voids;
- b) management fees;
- c) housing property sales;
- c) revenue based grants; and
- d) sundry income.

Housing Properties

Housing properties are principally properties available for rent and are stated at cost.

Cost includes the:

- (i) cost of acquiring land and buildings;
- (ii) development expenditure;
- (iii) interest charges incurred during the development period (Interest on loans raised to finance the development are capitalised up to the date at which practical completion occurs); and
- (iv) development administration costs.

Following the implementation of component accounting, certain components of residential properties with asset lives which are different to the main structure, or shell, of those properties have been separately identified for depreciation purposes. On replacement of such assets the original asset is written off and the replacement asset is capitalised and depreciated over its useful life. On implementing the change in accounting policy the deprecation charges on all residential properties have been reinstated as if the policy had always been applied, replacement components previously written off as major repairs have been restated as fixed assets and components which have been replaced have been written off.

Where properties have been purchased from a private developer at a subsidised price due to local authorities recognising the lack of grant available, the cost of acquisition is grossed up by the value of the subsidised price.

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

Where properties are sold under WG initiatives such as Right to Buy (RTB), Right to Acquire (RTA) or Shared Ownership the Association will deduct the original cost incurred and original SHG received from the balance sheet. Any surpluses that are made on the sale will be reinvested into our housing stock in the same way as any surplus made throughout the Association.

Basis of consolidation

The consolidated accounts include the results of Melin Homes Limited (“the Association”) and its trading subsidiary undertaking Candleston Limited. Consolidated accounts are required under the Co-operative and Community Benefit Societies Act 2014. Melin Homes Limited is the parent entity and the ultimate parent entity. Where any conflict arises between the SORP 2018 and applicable financial reporting standards, then the SORP prevails.

Development Administration Costs

The cost of a housing property comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. Directly attributable costs of the Association's staff arising directly from the construction, or acquisition of the property, and the incremental costs of the Association are capitalised where they relate to expenditure that would not have been incurred if the Association did not have an ongoing development programme. Detailed analysis of staff development activity is used as a basis of determining the amount of staff cost capitalised.

Abortive costs are capitalised where they form part of the Association’s development programme unless it can be demonstrated that such costs are classed as excessive and are then charged to the income and expenditure account.

Properties awaiting sale

Properties awaiting sale are included in current assets at the lower of cost and net realisable value.

Social Housing Grant

Social Housing Grants are receivable from the Welsh Government and are utilised to reduce the capital costs of housing properties. The amount of SHG receivable is calculated on a fixed basis depending on the size, location and type of housing property.

Where, following the sale of a property, SHG becomes repayable under certain circumstances, to the extent it is not subject to abatement, it is included as a current liability until it is recycled or repaid. SHG which is repayable will normally be restricted to net proceeds of sale. SHG is subordinated in respect of loans by agreement with the Welsh Government.

Grants received in relation to Housing Properties are shown within creditors and are disclosed as Deferred income net of amortisation. Grants held as deferred income are released over the useful life of the component to which they relate to in accordance with the depreciation policy set out below.

Other Grants

These include grants from local authorities and other organisations. Grants in respect of revenue expenditure are credited to the statement of comprehensive income in the same period as the expenditure to which they relate.

Loans & Interest Payable

Loans are advanced by Banks and Building Societies under the terms of individual mortgage deeds in respect of each property or housing scheme.

Interest is allocated at a constant rate on the carrying amount over the period of the borrowing, up to the date of practical completion.

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- a) interest on borrowings specifically financing the development programme after deduction of interest on Social Housing Grant (SHG) in advance; or
- b) interest on borrowings of the Association as a whole after deduction of interest on SHG in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the income and expenditure account in the year.

Depreciation of Housing Properties

Where a housing property comprises two or more major components with substantially different useful economic lives, each component is accounted for separately and depreciated over its individual useful economic life. Expenditure relating to the subsequent replacement or renewal of components is capitalised as incurred. Depreciation is charged on the historic cost of property components. Freehold land is not depreciated. Leasehold land is depreciated over the remaining term of leases. The depreciable amount is written off over the estimated useful lives from the date of purchase/build as follows:

Component Type	Useful Life
New Build Houses / Flats – Structure	150 Years
Refurbishments/Acquisitions Houses – Structure	125 Years
Refurbishments/Acquisitions Flats - Structure	100 Years
Windows and Doors	25 Years
Kitchens	15 Years
Bathrooms	25 Years
Central Heating	30 Years
Boilers	15 Years
Solar Panels	25 Years
Outside Works	30 Years

Components on leasehold land are depreciated over the shorter of the above and the remaining period of the lease. Freehold land is not depreciated.

Impairment

Housing properties are reviewed for impairment on a regular basis. Where there is evidence of impairment, properties are written down to their recoverable value.

Other Tangible Fixed Assets and Depreciation

Other fixed assets, except freehold office premises are stated at cost and depreciation is provided evenly on the other fixed assets to write them down to their estimated residual values over their expected useful lives.

The principal annual rates, except for freehold office premises, used for other assets are:

Office and Scheme Manager Equipment	10 years
Computer costs	3 - 5 years
Scheme Equipment	5 – 30 years
Motor vehicles - Leased	3 years
Motor vehicles - Purchased	4 years

Scheme equipment assets are held at sheltered accommodation sites and are depreciated on a straight line basis over the useful economic lives. The economic lives vary with the type of asset and range from 5 – 30 years.

The freehold premises comprise two or more components with substantially different useful economic lives. Each component is accounted for separately and depreciated over its useful economic life. Expenditure relating to the subsequent replacement or renewal of components is capitalised as incurred. Depreciation is charged on cost on a straight line basis over the component's expected useful life as follows:

Component Type	Useful Life
Freehold Office Premises - Structure	100 Years
Windows and Doors	25 Years
Kitchens	15 Years
Bathrooms	25 Years
Central Heating	30 Years
Boilers	15 Years
Solar Panels	25 Years
Outside Works	30 Years

Pensions

The Association participates in three pension schemes:-

- (i) **Social Housing Pension Scheme**
A centralised final salary Social Housing Pension Scheme funded by contributions from all participating employers and employees in the scheme. Payments are made to a fund operated by the Pensions Trust, an independent Trust providing superannuation benefits for employees of voluntary organisations. These payments are made in accordance with periodic calculations by consulting actuaries.
- (ii) **Social Housing Pension Scheme – Defined Contribution**
The association set up the Social Housing Pension Scheme defined contribution scheme in April 2014. The scheme is used as the association's auto enrolment scheme.
- (iii) **Royal London**
A defined contribution scheme which offers flexibility over payment levels, investment choice and control and benefit flexibility at retirement.

The provisions of FRS102, have been adopted. The expected cost to the Association of pensions is charged to the income and expenditure account so as to spread the cost of pensions over the service lives of employees.

The Association is able to identify its share of the underlying assets and liabilities of the pension scheme with regards to the Social Housing Pension Scheme, and in accordance with the requirements of FRS102, discloses certain information concerning assets, liabilities, income and expenditure related to the pension scheme for its employees.

The Social Housing Pension Scheme was closed to any new members with effect from 1 October 2009.

Disclosures relating to the pension scheme are set out in a note to the financial statements.

Value Added Tax (VAT)

The Association is partially exempt for VAT purposes and claims are made for repayment of VAT on items that are specifically allowable. Expenditure is shown inclusive of irrecoverable VAT.

Corporation tax

Melin Homes Limited is registered with Charitable status as a housing association and with the

Friendly Societies and Charity Commission. It benefits from corporation tax exemptions available to charitable bodies. Those primary purpose activities that fall within its charitable purposes and where its funds are applied only for these purposes are exempt from corporation tax. Those activities that are not primary purpose are subject to corporation tax for which full provision is made.

The remaining member of the Group is liable to Corporation Tax at the prevailing rate of taxation.

Basis of Preparation

The financial statements have not been prepared on a going concern basis due to the post year end merger into Tai Hedyd Limited (see note 28 for further details). However, no adjustments to the financial statements are required as a result of reporting on a non-going concern basis.

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Turnover, Operating costs and Operating surplus

	2025			ASSOCIATION 2024		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (Note 4)	27,366	(22,876)	4,490	25,634	(20,701)	4,933
Other social housing activities						
1st tranche property sales	3,474	(2,266)	1,208	1,523	(1,030)	493
Supporting people	-	-	-	-	-	-
Gift Aid	978	-	978	1,000	-	1,000
Non-social housing activities						
Lettings	116	(54)	62	122	(95)	27
Care & Repair	-	-	-	-	-	-
Rural Housing Enabler	-	(6)	(6)	-	(6)	(6)
Other	286	-	286	188	-	188
	<u>32,220</u>	<u>(25,202)</u>	<u>7,018</u>	<u>28,467</u>	<u>(21,832)</u>	<u>6,635</u>

The above analysis represents the results of the Association, which is the only Registered Social Landlord in the Group. Its subsidiary contributed as follows to the operating position. A turnover of £12,402k occurred in the year, profit amounted to £978k thus leading to the overall group loss of £906k.

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. Income and expenditure from social housing lettings

				ASSOCIATION	
				2025	2024
Income	General needs and sheltered housing £'000	Supported housing £'000	Other social housing letting income £'000	Total £'000	Total £'000
Rent receivable	23,402	88	107	23,597	21,852
Service charges income	1,253	6	151	1,410	1,894
Income for support services	3	-	-	3	4
Amortisation of grants	1,469	-	-	1,469	1,426
Physical Adaptation Grant	83	-	-	83	59
DWF Income	-	-	126	126	109
Management Charge	-	-	518	518	162
ORP retrofit	160	-	-	160	128
	<hr/>				
Turnover from social housing lettings	26,370	94	902	27,366	25,634
	<hr/>				
Cost					
Management costs	6,954	-	42	6,996	6,420
Service charge costs	2,035	5	85	2,125	2,292
Routine maintenance	7,087	4	35	7,126	5,830
Major repairs expenditure	1,703	-	1	1,704	1,416
Bad debts	66	-	-	66	160
Depreciation on housing properties	4,696	-	-	4,696	4,454
ORP retrofit	163	-	-	163	129
	<hr/>				
Operating costs on social housing activities	22,704	9	163	22,876	20,701
	<hr/>				
Operating surplus on social housing activities	3,666	85	739	4,490	4,933
	<hr/>				
Rent loss due to voids (memorandum note)	(307)	-	-	(307)	(203)

The above analysis represents the results of the Association, which is the only Registered Social Landlord in the Group.

This year we have reclassified our direct work force costs out of management costs and into the relevant repairs costs.

5. Accommodation in Management

At the end of the year the number of units of accommodation in management for each class of accommodation was as follows:

	GROUP & ASSOCIATION	
	2025	2024
	Number	Number
Melin Rented	4,137	3,908
Other Rented	41	41
Service Costs Only	131	242
Home Ownership	604	511
Commercial	33	33
	<hr/>	
	4,946	4,735
	<hr/>	

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. Operating Surplus	GROUP		ASSOCIATION			
	2025 £'000	2024 £'000	2025 £'000	2024 £'000		
Is arrived at after charging:						
Bad Debts	66	97	66	97		
Depreciation of housing properties	4,696	4,454	4,696	4,454		
Depreciation of other tangible assets	282	155	282	155		
Depreciation of leased assets	60	243	60	243		
Auditors' remuneration - for audit services	22	23	19	20		
	<u>5,026</u>	<u>5,112</u>	<u>5,026</u>	<u>5,112</u>		
7. Interest Receivable and Other Income	2025 £'000	2024 £'000	2025 £'000	2024 £'000		
Interest receivable and similar income	373	315	373	315		
Loan Break Gain	187	0	187	0		
	<u>560</u>	<u>315</u>	<u>560</u>	<u>315</u>		
8. Interest Payable and Similar Charges	2025 £'000	2024 £'000	2025 £'000	2024 £'000		
Total Loan and overdraft interest payable	6,275	5,358	6,079	5,208		
Less: Capitalised overdraft interest	0	0	0	0		
	<u>6,275</u>	<u>5,358</u>	<u>6,079</u>	<u>5,208</u>		
On loans repayable in instalments wholly or partly in more than five years	6,275	5,358	6,079	5,208		
	<u>6,275</u>	<u>5,358</u>	<u>6,079</u>	<u>5,208</u>		
9. Employees	2025 Average	2024 Average	2025 Number	2024 Number	2025 Number	2024 Number
<i>FTE number of employees:</i>						
Office staff	155	151	158	154	155	151
Scheme Managers	11	10	11	10	11	10
Painters & Decorators	3	4	3	4	3	4
Cleaners (full time equivalents)	-	-	-	-	-	-
Electricians	14	14	14	14	14	14
DWF	43	41	43	41	43	41
Handypersons	-	-	-	-	-	-
	<u>226</u>	<u>220</u>	<u>229</u>	<u>223</u>	<u>226</u>	<u>220</u>
Staff costs (for the above persons)	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Wages and salaries	8,479	7,856	8,199	7,661	8,199	7,661
Social security costs	774	766	742	745	742	745
Pension costs	788	862	763	830	763	830
Permanent health costs	96	81	96	81	96	81
Medicals	15	14	15	18	15	18
	<u>10,152</u>	<u>9,579</u>	<u>9,815</u>	<u>9,335</u>	<u>9,815</u>	<u>9,335</u>
Officers and Senior Executives Emoluments						
The remuneration paid to officers and senior executives was:-	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Emoluments (including pension contributions and benefits in kind) Benefits to be added	846	738	629	525	846	738
Emoluments within the following bands:	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
£90,000 - £99,999	2	4	1	2	2	4
£100,000 - £109,000	1	-	-	-	1	-
£110,000 - £119,999	-	1	-	1	-	1
£130,000 - £139,999	1	1	1	1	1	1
£140,000 - £149,999	1	-	1	-	1	-
£180,000 - £189,999	1	-	1	-	1	-
	<u>6</u>	<u>6</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>6</u>
Emoluments include amounts paid to :- (excluding pension contributions)	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
The highest paid senior executive	189	134	189	134	189	134

The Chief Executive is a member of the Royal London Defined Contribution pension scheme. Melin Homes Ltd makes an employer contribution of 9% into the scheme.

The emoluments paid during the year excludes a termination payment of £71,443.09

Emoluments were paid to 11 members of the Board during the year. This amounted to £60,273.06 for the year (2024: £64,636). Expenses paid during the year to members of the Board amounted to £0 (2024: £101).

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

10. Tangible Fixed Assets - Housing Properties

	GROUP				
	<i>Housing Properties Held for Letting £'000</i>	<i>Housing Properties Under Construction £'000</i>	<i>Completed Shared Ownership Housing Properties £'000</i>	<i>Shared Ownership Properties Under Construction £'000</i>	<i>Total £'000</i>
Cost					
At 1 April 2024	336,257	59,381	599	0	396,237
Additions	37	48,522	0	0	48,559
Disposals	(311)	(32,100)	(14)	0	(32,425)
Disposals - LCHO	0	0	0	0	0
Schemes completed in year	13,877	(13,877)	0	0	0
Components - Additions	7,884	0	0	0	7,884
Components - Disposals	(875)	0	0	0	(875)
At 31 March 2025	356,869	61,926	585	0	419,380
Accumulated depreciation					
At 1 April 2024	(53,920)	0	(217)	0	(54,137)
Charge for year	(4,516)	0	(6)	0	(4,522)
Depreciation on component disposals	747	0	0	0	747
At 31 March 2025	(57,689)	0	(223)	0	(57,912)
Subtotal at 1 April 2024	282,337	59,381	382	0	342,100
Subtotal at 31 March 2025	299,180	61,926	362	0	361,468

Housing properties comprise:		2025 £'000	2024 £'000
Housing properties	:- Freehold	417,830	394,687
	:- Long leasehold	1,550	1,550
		419,380	396,237

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

10. Tangible Fixed Assets - Housing Properties

	ASSOCIATION				
	<i>Housing Properties Held for Letting £'000</i>	<i>Housing Properties Under Construction £'000</i>	<i>Completed Shared Ownership Housing Properties £'000</i>	<i>Shared Ownership Properties Under Construction £'000</i>	<i>Total £'000</i>
Cost					
At 1 April 2024	336,257	52,030	599	0	388,886
Additions	37	24,887	0	0	24,924
Disposals - Homebuy	(311)	(10,179)	(14)	0	(10,504)
Disposals	0	0	0	0	0
Schemes completed in year	13,877	(13,877)	0	0	0
Components - Additions*	7,884	0	0	0	7,884
Components - Disposals	(875)	0	0	0	(875)
At 31 March 2025	356,869	52,861	585	0	410,315
Accumulated depreciation					
At 1 April 2024	(53,920)	0	(217)	0	(54,137)
Charge for year	(4,516)	0	(6)	0	(4,522)
Depreciation on component disposals	747	0	0	0	747
At 31 March 2025	(57,689)	0	(223)	0	(57,912)
Subtotal at 1 April 2024	282,337	52,030	382	0	334,749
Subtotal at 31 March 2025	299,180	52,861	362	0	352,403

Housing properties comprise:		2025 £'000	2024 £'000
Housing properties	:- Freehold	408,765	387,336
	:- Long leasehold	1,550	1,550
		410,315	388,886

* Included in Component - Additions is £2,166k of Optimised Retrofit Programme costs during the year

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

11. Long Term investments

These comprise of housing units acquired under the Homebuy initiative where by the Association retains an equity share following the initial 70% sale to first time buyers.

	Group and Association	
	2025	2024
	£'000	£'000
Long term investments	26,156	25,569
Rent to Own	450	450
Shared Ownership	-	-
	<u>26,606</u>	<u>26,019</u>

The LT investment relates to an interest free loan representing 30% of the purchase price of the Homebuy property (£39k), and 50% of the purchase price of the Rural Homebuy property, (£19,625k) by individuals under the Do It Yourself Homeownership scheme includes (£6,492k) self funded by Melin. The loan is fully funded by revenue and Social Housing Grant and the respective 30% and 50% of the sale proceeds are repayable when the property is sold.

12. Tangible Fixed Assets - Other

	Freehold Offices £'000	Office Equipment £'000	Computer Equipment £'000	Group and Association Scheme Equipment £'000	Motor Vehicles £'000	Total £'000
Cost						
At 1 April 2024	2,438	712	2,726	1,758	287	7,921
Additions	-	2	253	104	27	386
Disposals	-	-	-	-	(80)	(80)
At 31 March 2025	<u>2,438</u>	<u>714</u>	<u>2,979</u>	<u>1,862</u>	<u>234</u>	<u>8,227</u>
Depreciation						
At 1 April 2024	525	536	2,313	1,420	248	5,042
Charge for year	29	72	174	46	21	342
Disposals	-	-	-	-	(80)	(80)
At 31 March 2025	<u>554</u>	<u>608</u>	<u>2,487</u>	<u>1,466</u>	<u>189</u>	<u>5,304</u>
Net book value						
At 31 March 2025	<u>1,884</u>	<u>106</u>	<u>492</u>	<u>396</u>	<u>45</u>	<u>2,923</u>
At 31 March 2024	<u>1,913</u>	<u>176</u>	<u>413</u>	<u>338</u>	<u>39</u>	<u>2,879</u>

Included in the above are motor vehicles and office equipment on hire purchase agreements with a net book value of £82,556 (2024: £142,691).

13. a) Debtors: Amounts falling due within one year

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Arrears of rent and service charges	756	660	756	660
Less: Provision for bad and doubtful debts	(225)	(208)	(225)	(208)
	<u>531</u>	<u>452</u>	<u>531</u>	<u>452</u>
Other debtors	931	1,007	8,323	6,115
Cash In Transit	218	342	218	342
Rechargeable Repairs	22	17	22	17
Prepayments and accrued income	7,142	2,366	8,120	3,366
Service charge debtors	524	845	524	845
Housing Finance Grant debtor	295	283	295	283
	<u>9,663</u>	<u>5,312</u>	<u>18,033</u>	<u>11,420</u>

b) Debtors: Amounts falling due after more than one year

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Housing Finance Grant debtor	9,123	9,417	9,123	9,417
THFC deposit	540	679	540	679
Mor Homes Deposit	258	259	258	259
Loan Debtor	32	93	32	93
	<u>9,953</u>	<u>10,448</u>	<u>9,953</u>	<u>10,448</u>

MELIN HOMES LIMITED

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For the year ended 31 March 2025

14. Creditors: Amounts Falling Due Within One Year	GROUP		ASSOCIATION	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Debt due within a year	47,997	1,849	47,997	1,849
Rent and service charges received in advance	0	882	0	882
Purchase ledger	3,214	2,203	2,374	1,662
Accrued loan interest	420	425	420	425
Recycled Social Housing Grant	700	900	700	900
SHG received in advance	1,833	4,413	1,833	4,413
Accruals and deferred income	6,091	2,593	5,987	2,581
Corporation Tax	127	236	127	28
Service Charge Creditor	332	279	332	279
ICF Loan	0	0	0	0
Promissory Note	0	0	0	0
WG Loan	5,179	1,000	5,179	1,000
Land for Housing Loan	5,550	3,160	5,550	3,160
ORP	1,856	3,520	1,856	3,520
Other creditors	223	228	223	228
	73,522	21,688	72,578	20,927

15. Creditors: Amounts Falling Due After More Than One Year	GROUP		ASSOCIATION	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Debt (note 16)	104,766	146,855	104,766	146,855
Land for Housing Loan	0	0	0	0
IHP	1,200	1,200	1,200	1,200
WG Loan	5,000	5,000	5,000	5,000
Mor Homes Bond Premium	395	426	395	426
SHG received in advance	2,678	0	2,678	0
Recycled Social housing Grant	3,416	3,033	3,416	3,033
Rent to Own Grant	116	116	116	116
Shared Ownership Grant	0	0	0	0
Leaseholder Major Repairs Creditor	493	489	493	489
Leaseholder Cyclical Creditor	58	56	58	56
Investment Grants	19,780	19,101	19,780	19,101
Service Charges	56	56	56	56
	137,958	176,332	137,958	176,332

Recycled Social housing Grant	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Opening balance 1st April 2024	3,933	4,218	3,933	4,218
Movement during the year	183	(285)	183	(285)
Balance at 31st March 2025	4,116	3,933	4,116	3,933

The net movement of £183k in the RCG balance between 1 April 2024 and 31 March 2025 represents the transfer of SHG resulting from the sale of low cost home ownership properties developed by the Association during the year of £230k and the use of £47k of RCG in DIY Low Cost Home Ownership properties.

16. Debt Analysis	GROUP		ASSOCIATION	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Due within one year				
Housing loans	47,997	1,849	47,997	1,849
Due after more than one year				
Housing loans	104,766	146,855	104,766	146,855
Debt is repayable on loans as follows:				
Due within one year	47,997	1,849	47,997	1,849
Between one and two years	1,330	21,512	1,330	21,512
Between two and five years	3,786	22,565	3,786	22,565
In five years or more	99,650	102,778	99,650	102,778
	152,763	148,704	152,763	148,704

All housing loans are secured by fixed charges on individual properties, and are repayable by instalments. Interest payable on the loans at the year end was at either variable rates linked to either base rates or LIBOR, at 5.19% at year end or fixed rates ranging from 0.79% to 12.1428%. The repayment terms of the loans vary from 5 to 37 years.

The Bank and Building Society loans are secured by fixed charges on individual properties.

The loans from Fresh PLC, a member of Royal Bank of Scotland Group, are repaid in half-yearly instalments at an interest rate of 9.98582% and 12.1428% with the final instalment due to be repaid in 2041. The loan was consolidated from a number of Fresh PLC loans during the 1999/2000 financial year.

The loans from Bank and Building Societies are repaid in monthly or quarterly instalments over terms of 5 to 37 years at fixed and variable interest rates. The fixed interest rates at 31 March 2025 range from 0.79% to 8.38% and the variable rate is 5.19%.

A number of existing loans were re-financed or repaid as part of the merger transaction which occurred on 1st April (see note 28 for further detail). As a result of this transaction, these loans have been classified as due within one year in the analysis above.

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. Social housing and other government grants

	GROUP & ASSOCIATION				
	<i>Housing Properties Held for Letting</i>	<i>Housing Properties Under Construction</i>	<i>Completed Shared Ownership Housing Properties</i>	<i>Shared Ownership Properties Under Construction</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000
Gross grant creditor					
At 1 April 2024	175,978	14,958	384	0	191,320
Additions*	2,556	8,573	0	0	11,129
Disposals/transfers	(223)	0	(10)	0	(233)
Disposals - LCHO	0	0	0	0	0
Schemes completed in year	7,556	(7,556)	0	0	0
At 31 March 2025	185,867	15,975	374	0	202,216
Amortisation					
At 1 April 2024	24,544	0	140	0	24,684
Credit for the year	1,444	0	4	0	1,448
Schemes disposed in year	0	0	0	0	0
At 31 March 2025	25,988	0	144	0	26,132
Net grant creditor					
At 31 March 2025	159,879	15,975	230	0	176,084
At 1 April 2024	151,434	14,958	244	0	166,636

the grants are amortised as follows:

	GROUP & ASSOCIATION	
	2025	2024
	£'000	£'000
Amounts falling due:		
Within one year or less	1,550	1,469
Between one and two years	1,550	1,469
Between two and five years	4,650	4,407
In five years or more	168,334	159,291
In more than one year	174,534	165,167
Total grant creditor	176,084	166,636

* The amount of £2,503k in housing properties held for letting relates to Optimised Retrofit Programme Grant received in the year

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For the year ended 31 March 2025

18. Share Capital	GROUP & ASSOCIATION	
	2025	2024
	£	£
<i>Shares of £1 each issued and fully paid</i>		
At 1 April	29	30
New members during the year	-	-
Members written back during year	(1)	(1)
	<u>28</u>	<u>29</u>
At 31 March	<u>28</u>	<u>29</u>

The shares were issued for cash at par.

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up.

19. Capital Commitments	GROUP & ASSOCIATION	
	2025	2024
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	<u>26,599</u>	<u>24,711</u>
Capital expenditure that has been authorised by the Board but has not yet been contracted for.	<u>8,756</u>	<u>11,411</u>

The Board of Management expect that the expenditure will be fully financed by the Welsh Government, Banks and internally through Melin's own resources.

20. Investment Grants

The investment grant is funding received from the Welsh Government to fund the Homebuy scheme, the assets of which are shown as a long term investment (Note 11).

	GROUP & ASSOCIATION	
	2025	2024
	£'000	£'000
Investment Grants	19,780	19,101

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

21. Pensions

Employees of the Association participate in one of the two pension schemes currently operated by the Association and Group, these being the Social Housing Pensions Schemes and the Royal London scheme.

Melin withdrew from the Local Government Pension Scheme on the 31st May 2023 and no longer has any active members in the scheme. We received £2.76m on exiting the scheme, and an actuarial loss of £599k was incurred.

The overall pension liability provision is £564k for 31st March 2025, which is now only the SHPS DB liability.

Following an extensive staff consultation exercise in October 2009, the Board closed both final salary pension schemes to new members, however opened a window in December 2014 for staff to transfer from SHPS to LGPS. Both schemes are now closed to any new members. The defined contribution schemes were introduced with Royal London from 1 July 2010 and SHPS from April 2014.

This is the fifth year where the SHPS DB accounting changes have been reflected in the accounts. This has resulted in an actuarial gain for the current year of £69k

Pensions Obligations

a. Social Housing Pension Scheme (SHPS)

The Association participates in the Social Housing Pension Scheme (SHPS). The Scheme is funded and is contracted out of the state scheme.

SHPS is a multi-employer defined benefits scheme. Employer participation in the scheme is subject to adherence with the employer responsibilities and obligations as set out in the "SHPS House Policies and Rules Employer Guide".

An employer can elect to operate different benefit structures for their active members and their new entrants. An employer can only operate one open defined benefit structure plus CARE 1/120th, plus the defined contribution benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

The Association had elected to operate the final salary with a 1/60th accrual rate benefits structure for active members as at 1 April 2007 and the final salary with a 1/70th accrual rate benefit structure for new entrants from 1 April 2007.

The Trustee commissions an actuarial valuation of the scheme every 3 years. The main purpose of the valuation is to determine the financial position of the scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at an individual employer level, subject to the employer paying no less than 50% of the total contribution rate. From 1 April 2010 the requirement for employers to pay at least 50% of the total contribution rate no longer applies.

The actuarial valuation assesses whether the scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefits payments using a discount rate calculated by reference to the expected future investment returns.

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

21 Pensions Obligations - continued b. Social Housing Pension Scheme

As at the balance sheet date there were no active members of the scheme employed by the Association.

The Association made an annual contribution towards the past service deficit of £231,905 up to March 2025 and £219,815 up to March 2024.

In accordance with FRS102 reporting requirements, Melin Homes Limited is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees.

The most recent valuation was carried out as at 30 September 2023, and has been updated by independent actuaries to the SHPS fund to take account of the requirements of FRS102 in order to assess the liabilities of the fund as at 31 March 2025. Liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities discounted to their present value.

The main assumptions used for the purpose of FRS102 are as follows:

	31 March 2025	31 March 2024
	% per annum	% per annum
Salary Growth	3.79%	3.78%
Inflation (RPI)	3.09%	3.14%
Inflation (CPI)	2.79%	2.78%
Discount rate	5.85%	4.91%

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

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

The following amounts were measured in accordance with the requirements of FRS102 for period ended 31 March 2025:

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2025	31 March 2024
	(£000s)	(£000s)
Fair value of plan assets	3,599	3,783
Present value of defined benefit obligation	4,163	4,631
Surplus (deficit) in plan	(564)	(848)
Defined benefit asset (liability) to be recognised	(564)	(848)

MELIN HOMES LIMITED

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For the year ended 31 March 2025

21. Pensions Obligations - continued

The following amounts were measured in accordance with the requirements of FRS102 for period ended 31 March 2025:

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2025 (£000s)
Defined benefit obligation at start of period	4,631
Expenses	7
Interest expense	223
Actuarial losses (gains) due to scheme experience	56
Actuarial losses (gains) due to changes in demographic assumptions	(579)
Actuarial losses (gains) due to changes in financial assumptions	
Benefits paid and expenses	(175)
Defined benefit obligation at end of period	4,163

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period ended 31 March 2025 (£000s)
Fair value of plan assets at start of period	3,783
Interest income	188
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(454)
Contributions by the employer	257
Benefits paid and expenses	(175)
Fair value of plan assets at end of period	3,599

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2025 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(454)
Experience gains and losses arising on the plan liabilities - gain (loss)	(56)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	579
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	69
Total amount recognised in other comprehensive income - gain (loss)	69

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

21. Pensions Obligations - continued

d Royal London Defined Contribution Scheme

The Association set up the Royal London Defined Contribution Scheme from 1 July 2010. Only new staff are eligible to join the Group Person Pension which offers flexibility over payment levels, Investment Choice and control and benefit flexibility at retirement. The scheme is closed to existing employees.

Between 1 April 2024 and 31 March 2025, the Association paid contribution rates between 5.5% and 26.3%. Member contribution rates varied between 3% and 21%. As at the balance sheet date, there were 178 active members of the scheme employed by the Association.

The pension charge includes contributions payable by the Association to the fund and amounted to £717,840 in 2025 (£715,261 in 2024).

d. Social Housing Pension Scheme (SHPS) Defined Contribution Scheme

The Association set up the SHPS Defined Contribution Scheme in April 2014.

The scheme is used as the Association's Auto Enrolment Scheme.

Between 1 April 2024 and 31 March 2025, the Association paid contribution rates of 3%.

Member contribution rates were 5%. As at the balance sheet date, there were 31 active members of the scheme employed by the Association.

The pension charge includes contributions payable by the Association to the fund and amounted to £33,427 in 2025 (£56,030 in 2024).

22 Controlling Interests

On the 23 June 1998 Melin Homes Ltd became the sole Trustee of Henry Burton Almshouse Charity. As at 31 March 2025, the total net assets of the Charity amounted to £1,494,611. The total turnover was £163,329 and the net surplus for the year was £19,290.

As the Managing Agent, Melin Homes received a total of £40,202 in fees from the Charity during the current year (2024: £37,558). There was £39,172 balance owing as at 31 March 2025. (2024: £28,838).

On the 13 January 2023 Melin Homes Ltd became the sole Trustee of Roger Williams and Queen Victoria Almshouses. As at 31 December 2024, the total net assets of the Charity amounted to £341,936. The total turnover was £41,511 and the net surplus for the year was £23,401.

As the Managing Agent, Melin Homes received a total of £11,957 in fees from the Charity during the current year. There was £13,027 balance owing as at 31 Dec 2024.

The Registrar of Friendly Societies has agreed that the accounts of Henry Burton Almshouse Charity and Roger Williams and Queen Victoria Almshouses need not be consolidated with those of the Association.

23 Related Parties

The terms and conditions of the tenancy are the standard terms and conditions for the type of tenancy held.

Melin Homes Ltd was owed £7,013k from its subsidiary Candleston Ltd as at 31st March 2025 (2024:£5,368k).

24 Taxation

Melin Homes Limited is registered with Charitable status as a housing association and with the Friendly Societies and Charity Commission. It benefits from corporation tax exemptions available to charitable bodies. Those primary purpose activities that fall within its charitable purposes and where its funds are applied only for these purposes are exempt from corporation tax. Those activities that are not primary purpose are subject to corporation tax for which full provision is made.

The remaining member of the Group is liable to Corporation Tax at the prevailing rate of taxation.

MELIN HOMES LIMITED

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For the year ended 31 March 2025

25 Corporation Tax	2025 £'000	2024 £'000
Corporation tax charge	<u>127</u>	<u>28</u>

The basis of corporation tax charge is explained in note 24.

26 Housing Properties Held for Sale	2025 £'000	2024 £'000
Housing properties held for sale at the beginning of the year	614	243
Housing properties transferred during the year	<u>(614)</u>	<u>371</u>
Housing properties held for sale at the end of the year	<u>-</u>	<u>614</u>

27 Group Note

The Association has one directly owned subsidiary, Candleston Limited of which 100% of the share capital is owned. The results of the subsidiary are shown in note 3 with the year end outstanding balances disclosed in note 23.

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

Melin Homes Limited is the parent of the largest and smallest group in which the results of the Group are consolidated. Copies of the consolidated financial statements are available on request from the registered address of the Association.

28 Exceptional Items

Twelve open market sales occurred at our Crick Road site near Portskewett during the year. The total sales income received for the twelve sales in Melin Homes Ltd was £2,142k which was equal to the total cost for all twelve properties. Therefore there was a nil surplus made on the sales in Melin Homes Ltd.

On 1st April 2025, the association completed a merger with another Registered Social Landlord, Newport City Homes Limited, to create Tai Hedyn Limited (trading as Hedyn). Hedyn is the Welsh word for seed. It symbolizes growth, new beginnings, and the potential for positive change. By connecting people across five local authority areas in Wales, Hedyn is committed to building communities where everyone can thrive.

The transaction will take the legal form of a transfer of engagement, a process which transfers the whole of the business of one entity into another; the transaction is considered to meet the definition of a merger under the relevant accounting standards; as such, merger accounting will be applied to record the transaction. There has been no impact on the financial position as at the year-end as a result of the merger.

The amount disclosed as exceptional costs relates to preparatory fees and costs payable by the association in the reporting period. The association discloses this amount separately on the basis that this is not a recurring business operation and gives a more accurate presentation of its operating surplus for the year.