



LINC CYMRU HOUSING ASSOCIATION LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS
for the year ended 31 March 2024



Creating the right environment for people to flourish



www.linc-cymru.co.uk

**Linc-Cymru Housing Association Limited
Annual Report and Financial Statements
for the year ended 31st March 2024**

Linc-Cymru Housing Association Limited Annual Report and Financial Statements for the year ended 31st March 2024

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Linc-Cymru Housing Association Limited

Strategic Report

for the year ended 31st March 2024

The Board of Management present their strategic report on the affairs of Linc-Cymru Housing Association Limited (Linc), together with the financial statements and auditor's report, for the year ended 31st March 2024.

Linc is an independent business providing housing for rent and sale, together with the provision of care and support services for people in need. We are a non-profit distributing business with all surpluses being reinvested to further expand our activities. The Shareholding Members of Linc have no entitlement to any income or capital distribution.

The homes we provide include homes for rent at social and market level rents. We have developed shared ownership properties which provide the opportunity for home ownership. We provide a range of properties catering for people with support needs including supported and sheltered housing, extracare accommodation and registered nursing homes across South Wales.

Legal Status and Structure of Linc-Cymru Housing Association Group

Linc is a Registered Society under the Co-operative and Community Benefit Societies Act 2014.

Linc is registered as a Registered Social Landlord with the Welsh Government, Registration Number L109 and with the Financial Conduct Authority, Registration Number 25555R. Linc is registered under Charitable Rules.

At 31st March 2024, the Linc-Cymru Housing Association Group comprised of Linc-Cymru Housing Association Limited and its 100% owned subsidiary Tarbed Limited. Tarbed Limited is a limited company registered under the Companies Acts and undertakes development activity solely on behalf of Linc-Cymru Housing Association Limited.

On the 1st April 2024, Linc-Cymru Housing Association Limited merged with the Pobl Group becoming a 100% owned subsidiary of Pobl Group Limited (registration number 29682R). The merger was approved on 19th October 2023 by Linc's shareholders following the relevant consents from funders and the Regulator.



Linc-Cymru Housing Association Limited

Strategic Report

for the year ended 31st March 2024 (continued)

Going Concern

Linc's activities, together with the factors likely to affect its future development, its financial position, risk management, details of its financial instruments, and its exposure to credit, liquidity and cash flow risk are detailed in this Annual Report.

The financial statements have been prepared on a going concern basis. The Board has reviewed cashflow forecasts and other financial projections. Linc has considerable financial resources and as a consequence, the Board believes that Linc is well placed to manage its business risks successfully despite current uncertainties in the social housing sector including the impact of the significant increase in inflation and the increases in costs being experienced by the Association and the sector in general.

After making enquiries, the Board has a reasonable expectation that Linc has adequate resources to continue in operational existence for the foreseeable future and this is further supported by the merger into the Pobl Group. Accordingly, the Board has concluded that it can continue to adopt the going concern basis in preparing the financial statements

Strategic Business Objectives

The sector's demands have significantly increased over recent years, prompting a shift in our corporate outlook to meet these growing challenges. To address this, the Board decided to explore a merger opportunity with Pobl Group. A robust due diligence process took place during 2023/24 with the merger completing on 1st April 2024.

The merger between Linc Cymru and Pobl Group represents the union of two strong and respected entities, forming a more resilient and impactful group. This collaboration allows us to meet the increasing demands across the sector by delivering quality, affordable homes and enhanced services to our customers and communities. Together, we are well-equipped to address the evolving needs of our customers, especially during challenging times. The merger also opens new opportunities for our colleagues within a larger organisation. The strategic alignment between our organisations is clear: we share similar values, attitudes, expertise, and ambitions. Geographically, both organisations have traditionally operated along the M4 corridor, further strengthening our combined efforts.

While the merger is still in its early stages, the benefits of our enhanced scale are already apparent. Our goal is to be both large and local, ensuring we maintain our community roots while expanding our reach. As we integrate and set our vision, several guiding aims drive our decisions:

- To create a resilient organisation better equipped to manage risks.
- To provide stability and opportunities for our customers while keeping rents affordable.
- To develop more mixed-tenure new homes at scale to meet community needs.
- To create more jobs and opportunities for our colleagues.
- To achieve efficiencies from our scale and geographic footprint, reinvesting in customers' homes and services.

This proactive approach aims to build a stronger organisation capable of thriving in the face of future challenges, protecting and expanding the services our customers and colleagues rely on.

Linc-Cymru Housing Association Limited

Strategic Report

for the year ended 31st March 2024 (continued)

Linc makes a significant contribution to the development and management of a wide range of housing solutions in South East Wales. These include general needs housing, sheltered and supported housing, extracare housing and nursing care. The Group Board in conjunction with the Group Executive Team has growth aspirations which cover all areas of housing operations. However, in the 2023-24 financial year, we decided to sell our three nursing homes. Although our nursing homes have provided high-quality care and received strong feedback, managing and operating them has become challenging, impacting our affordable housing responsibilities. We are working with potential buyers who recognise these achievements and have the knowledge, experience, and ambition to take the homes forward.

Linc is committed to helping achieve the Welsh Government's target of 20,000 affordable homes by 2026. Each new business proposal is carefully evaluated with appropriate due diligence, and only those meeting our stringent criteria are pursued. We continue to evolve our housing management and asset management strategies, ensuring we offer appropriate support to our tenants as further welfare reform changes occur, while maintaining our properties to acceptable standards and complying with the Welsh Housing Quality Standard. Additionally, the Welsh Government's ambitious proposals for the Decarbonisation of existing homes will be a key objective for Linc in the coming years, forming part of our Environmental Sustainability Strategy.

Strategic Corporate Objectives

We continue to adopt our approach, simplifying what we do as a business and focusing on what matters. We use data and ensure that we spend our energy on actions which drive our purpose and create the biggest impact. The Linc Business Plan 2022-2027 has the key purpose of 'Creating the right environment for people to flourish'. This is underpinned by our values which are Passionate, Ambitious and Respectful. Each year, we develop an action plan in order to progress our OneLinc Business Plan.

During and following the Coronavirus pandemic, the services we provide and deliver and the ways in which we deliver them changed. The working day for most changed dramatically. Assumptions in terms of what matters and the ways in which we achieve our goals have shifted.

Whilst the way in which we worked changed, our Purpose and our Values remained central. These remained at the core, as did our key themes of a 'Prosperous Business', 'Wellbeing & Personal Development', 'Modern & Excellent Services' and 'New Business & Growth'. Our ambition remains strong and aligned to the priorities of the Welsh Government and Local Authorities. Below are the strategic goals under the four themes of our Business Plan.

1. New Business and Growth

Our OneLinc goals:

- Creating 1,700 new homes by 2027 that support a good quality of life. During 2023/24, 85 new homes came into management and we are on track to deliver 98 new homes during 2024/25.
- Providing homes for sale to support our ongoing investment in affordable housing.
- Enhance the number and range of social care and support developments.
- Extending our use of modern methods of construction to create environmentally conscious and sustainable developments.
- Partnering to deliver solutions that meet health, housing, leisure and workplace needs.

Linc-Cymru Housing Association Limited

Strategic Report

for the year ended 31st March 2024 (continued)

2. Wellbeing and Personal Development

Our OneLinc goals:

- Designing work environments and practices that support wellbeing.
- Investing in staff and residents to maximise their talents.
- Learning and improving through research and innovation.
- Building skills that support Linc as a modern business.

3. Modern and Excellent Services

Our OneLinc goals:

- Delivering digital services to meet the changing needs of our customers.
- Investing in systems that support our staff to work efficiently.
- Using data and insight to support intelligent decision making.
- Learning and improving through research and partnership.
- Start to review how the larger group can capitalise on its scale and best systems to further develop modern and excellent services.

4. Prosperous Business

Our OneLinc goals:

- Supporting the social and economic ambition of customers.
- Involving our customers and listening, learning and acting on their views.
- Value for Money leading improvements to create capacity.
- Delivering a modern governance framework.
- During 2024/25 we will be progressing as part of the larger group objectives in the following areas:
 - Equality and Diversity
 - Strategic Environmental Improvements
 - Decarbonisation
 - Delivery of Value for Money
 - Rent Affordability and Rent Setting
 - Service Charges
 - Procurement Efficiency and Effectiveness
 - Safeguarding
 - Delivery of Internal and External Strategic Communications

Linc-Cymru Housing Association Limited

Strategic Report

for the year ended 31st March 2024 (continued)

Strategic Business Blocks

Our business plan is supported by four strategic building blocks, each with key success measures. These are the outcomes we will achieve by 2027:

1. People & Place

Providing homes and communities that people are proud to live in and the services that people aspire to receive. The key success measures are:

- Our homes and services meet new and emerging needs, instantly recognisable through their quality.
- We meet customers changing expectations and are efficient in delivery of services.
- Customers can access a menu of support, which will be delivered restoratively and compassionately.
- Our activity and investment are focused to maximise the benefits to the communities we serve.

2. Data & Insight

Decision making based on data, evidence and insight that delivers reliable and impactful services. The key success measures are:

- We have a culture across the organisation that understands the importance of using data and insight to make decisions.
- We work actively with a range of key academic partners to achieve our outcomes based on the effective use of data and insight.
- We have effective systems underpinning our business that ensure the provision of relevant and sound data and insight.

3. Culture & Innovation

Inspiring and empowering colleagues to provide brilliant services; actively seeking out collaboration and learning from others to improve our performance and reputation. The key success measures are:

- Colleagues are proud to work at Linc.
- The diversity of our colleagues and board reflects the communities we serve.
- We have exemplary colleague development pathways and programmes.
- Our inclusive culture attracts and retains talented colleagues.
- Our sound financial practice, governance framework and technology stack, improve our efficiency, enabling us to remain a trusted partner of choice.

4. Growth & Society

- Delivering benefits for residents and wider society through delivering new services, new homes and broader social value and investment. The key success measures are:
- We address inequality and inequity through collaboration and place-based partnerships.
- Our environmental impact has reduced and we have improved our sustainability standards.
- We play an active role in eradicating homelessness and addressing housing need, delivering over 1,700 quality new homes.
- We have increased the range of social care and support services to meet customer needs.
- Our profitable, for social purpose, market sales group company Pobl Living Ltd is known for quality.

Linc-Cymru Housing Association Limited

Strategic Report

for the year ended 31st March 2024 (continued)

During 2023/24, the Board reiterated

1. The principle of building up to 1,700 new homes. Development schemes for 1,183 of these new homes have been identified and included in the 2024/25 budget and forward indicators for the four following years ending March 2029. The homes will be constructed in the five-year period 2024/25 to 2028/29.
2. That the focus on growth should remain in our traditional areas whilst not discounting windfall opportunities that arise from time to time in other parts of Wales that add value to our core business.
3. That the Board should examine how the greater financial capacity in the new group can be achieved without undermining the ongoing ability of Linc to secure a sustainable future for its current assets and to be both large and local.

Risk Management

Linc has a well-developed approach to the identification and evaluation of Risk as outlined in our Risk Management Framework. Linc's Risk Management Group (RMG) which comprises of Heads of Service, Directors and the Executive Team meets quarterly to review existing risks and to identify any new risks that may have emerged. Linc maintains a Corporate Risk Register, which contains those risks which are judged by the Business Leadership Group to be the strategic risks facing the organisation and Operational Risk Registers for all parts of the business. Each quarter the RMG reports to the Business Leadership Group, which considers the recommendations from the RMG and reviews the Corporate Risk Register in light of these recommendations. The Executive Team reports to the Audit Committee three times a year and to the Board quarterly on the key strategic risks within the Corporate Risk Register.

The key strategic risks which could impact on our ability to deliver on our strategic vision are described below.

Welfare Reform and increased Cost of Living

The risk associated with the increased cost of living in particular the impact on non-payment of rent. This will reduce our income and increase our costs as we deploy additional resource in collecting arrears.

We have an experienced housing team in place to support tenants to sustain their tenancies and continue to pay the rent. Our offer includes signposting and supporting to access Money Advice.

The Introduction of the National Living Wage

The National Living Wage has and will continue to impact significantly on Linc's employee cost base. We employ large numbers of staff in our facilities management teams who benefit from the increasing hourly rates of pay associated with the National Living Wage. During our budgeting process at the end of financial year 2023/2024 we considered whether the Real Living Wage, currently set at £12 per hour, can be our minimum rate across Linc for the forthcoming year. It is a commitment we are keen to make to our lowest paid colleagues.

We continue to model the ongoing impact of such increases and our financial forecasts are robust enough to meet the additional costs.

Health and Safety Failure

Health & Safety failure which causes bodily injury, loss of life or serious ill health is one that applies to all parts of the business. The safety of our tenants, residents and staff is taken extremely seriously and we have put in place a range of controls and safeguards to maintain and improve our high standards. We review key health & safety performance indicators on a monthly basis, and we have developed an extensive learning and development programme so that all of our staff are aware of their responsibilities in this area. We report to the Board monthly on our health and safety performance and the Board receives health and safety learning and development training at least annually.

Linc-Cymru Housing Association Limited

Strategic Report

for the year ended 31st March 2024 (continued)

Nursing Homes

There are a number of risks associated with our nursing homes. These include:

- The issuing of a non-compliance notice from Care Inspectorate Wales (CIW), which may lead to action to de-register a home.
- Death, injury or abuse as a result of poor practice at a home. In addition to the detrimental impact on the individual, this may lead to reputational damage and impact on the viability of the home.
- Exposure to money saving strategies adopted by commissioners in health and social care resulting in a pressure to the financial viability of services in Linc Care.

We have in place robust controls to address these risks which are confirmed by the very low level of incidents.

We have numerous controls in place to address money saving strategies including ensuring our contracts with commissioners are financially robust, demonstrating value for money in the services that we provide to our residents and ensuring that there is an income/fee raising environment.

Edgar Bautista, Head of Nursing continued in the role of Responsible Individual (RI) for the three nursing homes until 31st March 2024. This position as RI was then resigned due to the merger with The Pobl Group where their existing RI James Wadlow was appointed as RI for all care services including the Linc Nursing Homes.

During 2023 we took the difficult decision to place our three nursing homes up for sale. The sale process has commenced, and we expect all three sales to be completed during 2024/25.

Regulatory Engagement

The risk is that if Linc does not take appropriate action in respect of the areas of Regulatory Engagement. We have a meaningful regulatory engagement that is accurately recorded and a positive relationship which is open and transparent.

Financial Risk Management Objectives and Policies

Linc's activities expose it to a number of financial risks including cash flow risk, liquidity risk and credit risk. The use of financial derivatives is governed by Linc's policies approved by the Board, which provide written principles on the use of financial derivatives to manage these risks. Linc does not use derivative financial instruments for speculative purposes. There were no derivative financial instruments in place at the year end.

Cash Flow and Liquidity Risk

Linc's activities expose it to the financial risks of changes in interest rates. Linc has a diversified loan portfolio which includes both variable interest rate, fixed interest rate and index linked loans. Linc does not enter into complex derivative contracts.

To maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, Linc uses a mixture of long-term and short-term debt finance.

There are examples of failure in the sector which have been brought about by cash flow failures with the organisation unable to meet contractual payments. Linc has a strategic treasury management strategy in place, including borrowing and investment policies with regular monitoring of our cash position, current and forecasting ahead, so that we minimise the risk of exposure.

Linc-Cymru Housing Association Limited

Strategic Report

for the year ended 31st March 2024 (continued)

Credit Risk

Linc's principal financial assets are bank balances and cash, rent arrears and other receivables. Linc's credit risk is primarily attributable to its rent arrears. The amounts presented in the Statement of Financial Position are net of allowances for bad debts. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. Linc has no significant concentration of credit risk, with exposure spread over a large number of counterparties and tenants.

Future Prospects

The Welsh Government has set a new target for affordable homes for the new term of Government (2021-2026) at 20,000 homes. This is an ambitious target and one that Linc is committed in helping to achieve.

We have an identified development programme of 1,183 social housing properties which will come into management during the next five years. Our thirty-year financial models indicate that we have significant additional capacity for development.

We operate eleven extracare schemes in Aberdare, Bridgend, Cardiff, Newport, Ebbw Vale and Pontypridd. These schemes which are developed with Social Housing Grant are let on our standard tenancy lease. Our current development programme includes an additional 3 extra care schemes in RCT with the next scheme, in Porth, scheduled to open in 2024/25. With our existing operations, financial stability and resources, we consider that the future prospects for Linc in meeting the growing housing and care needs continue to be positive.

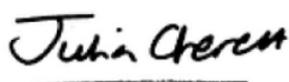
Merger with Pobl Group Limited

On the 1st April 2024, Linc-Cymru Housing Association Limited merged with the Pobl Group becoming a 100% owned subsidiary of Pobl Group Limited (registration number 29682R). The merger between Linc Cymru and Pobl Group represents the union of two strong and respected entities, forming a more resilient and impactful group. This collaboration allows us to meet the increasing demands across the sector by delivering quality, affordable homes and enhanced services to our customers and communities.

Nursing Home Disposal

In October 2022, Linc's Board discussed the potential disposal of Linc's three nursing homes. The dynamics of running nursing homes has changed significantly in recent years with fee income failing to keep pace with the significant cost increases faced in the sector. The risk profile of the homes remains challenging. The Board resolved to dispose of the three homes in 2023 and Christie and Co were appointed to market the homes. The sale of Penylan House completed in June 2024 and due diligence is progressing with purchasers of Capel Grange and Ty Coch Nursing Homes. The surplus on disposal will be included in the financial results to 31st March 2025.

Approved by the Board and signed on its behalf by:



Julia Cherrett
Chair of the Board



Mike Jones
Board Director

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024

Principal Objectives and Activities

The principal objectives and activities of Linc are the provision of rented accommodation and care and support services for people in need.

Registered Office

387 Newport Road, Cardiff CF24 1GG

Professional Advisors

Internal Auditors:

TIAA Ltd
Artillery House
Newgate Lane
Fareham
PO14 1AH

External Auditors:

Bevan Buckland LLP
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea SA7 9LA

Bankers:

HSBC Bank PLC
56 Queen Street
Cardiff
CF10 2PX

Solicitors:

Blake Morgan LLP
One Central Square
Cardiff
CF10 1FS

Solicitors:

Hugh James LLP
Two Central Square
Cardiff
CF10 1FS

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024

Former Board Members

The Linc Board members listed below all resigned from office on the 31st March 2024 in advance of the merger of Linc into the Pobl Group.

- Julia Attwell (Vice Chair) left the Board following 7 years and 8 months of service.
- Lynda Chandler left the Board following 3 years of service.
- Richard Miles left the Board following 5 years of service.
- Mandy Newton left the Board following 5 years of service.
- Alun Sinclair left the Board following 5 years and 8 months of service.
- Willow Smallbone left the Board following 3 years of service.
- Edgar Bautista left the Board as co-optee member and Responsible Individual (RI) following 1 year and 3 months of service.

The Linc Board members listed below resigned from office on the 31st March 2024 and were appointed to the Pobl Group Limited Board on the 1st April 2024.

- Lynda Williams (Chair) left the Board in March 2024 following 5 years and 6 months of service. Lynda was appointed as Vice Chair to Pobl Group on 1st April 2024.
- Howard Crackle left the Board in March 2024 following 2 years of service. Howard was appointed to Pobl Group Board on 1st April 2024.
- Paul Minnis left the Board in March 2024 following 2 years and 4 months of service. Paul was appointed to Pobl Group Board on 1st April 2024.
- Jonathan Pearce left the Board in March 2024 following 7 years and 8 months of service. Jonathan was appointed to Pobl Group Board on 1st April 2024.

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024

Pobl Group Board Members



Julia Cherrett, Group Chair

Julia has been a HR Director in the water industry, and latterly a Customer and Commercial Director in both regulated and non-regulated utility businesses in the UK and Europe. She has experience in leading major change programmes including the introduction of an industry-leading innovation to provide customers most in need of support with a reduced bill. She brings both operational and strategic experience to Pobl.

Julia joined Pobl in 2019, becoming Chair of the Group Board in 2022.



Lynda Williams, Group Vice Chair

Lynda retired after 40 years working in the health service, including as Executive Director of Nursing and Midwifery at NHS Wales. Lynda's interests include governance, care standards and safeguarding. Lynda joined Linc's Board in 2018, becoming Chair of the Linc Board in May 2023.

Lynda is Vice Chair of the Group Board, Chair of our Pensions & Remuneration Committee, and sits on our Quality of Care & Safeguarding Committee.



Graham Hillier, Senior Independent Director

Graham has a background in environmental and climate sciences, with 35 years' experience across both the private and public sectors. He has held senior leadership positions with Tidal Lagoon Power, Natural Resources Wales and the Environment Agency. Graham is currently a part-time lecturer at Swansea University and is a Trustee at Wallingford Hydrosolutions.

Graham sits on the Pensions & Remuneration and Investment Committees.



David Evans

David has over 40 years of housing experience, much of it at a senior level in Local Government. He has been directly involved in a number of Welsh Government housing policy initiatives including Welsh Housing Quality Standard, and the introduction of 'Housing Revenue Account self-financing' for each Welsh Local Authority with housing stock.

David is Chair of Quality of Care & Safeguarding Committee and sits on our Pensions & Remuneration Committee.



Michael Jones

Mike has spent over 40 years working in finance, undertaking a number of senior roles in both the retail and corporate banking sectors. Mike holds a degree in Economics, an MBA from Henley Management College, and is an Associate Member of the Chartered Institute of Bankers. Mike served as a member of the UK Finance Mortgage Product and Service Board from 2019 until 2022.

Mike is Chair of Audit & Risk Committee and sits on our Pensions & Remuneration Committee.

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024 (continued)



David Staziker

David has worked at the Development Bank of Wales since its launch in 2002 and is currently its Chief Financial Officer. Previously, David was Investment Director at the bank, responsible for new investments, property development, and business analysis. David is a Fellow of the Institute of Chartered Accountants in England and Wales and holds their corporate finance qualification.

David is Chair of Investment Committee and sits on our Pensions & Remuneration Committee.



Lucy Asquith

Lucy is a public sector management consultant with over 20 years' experience working with charities, housing associations, local and central government and the NHS. She focuses on health, social care, wellbeing and community engagement agendas. Lucy's expertise includes strategy, performance improvement, and mixed method social research.

Lucy is a member of our Quality of Care & Safeguarding Committee.



Howard Crackle

Howard retired from a 40-year banking career in 2019. He was a relationship management specialist, working across the Healthcare, Education and Social Housing sectors. He has an MBA and was an Associate of the Chartered Institute of Bankers. Howard joined Linc's Board in 2022 and became part of the Group board following the merger in April 2024.

Howard sits on both our Investment and Audit & Risk Committees.



Paul Minnis

Paul is responsible for delivering major projects and regeneration at Cheltenham Borough Council, including the £1 billion cyber-tech focused Golden Valley Development. He has previously managed large scale regeneration schemes across the South-West. Paul joined Linc's Board in 2021 and became part of the Group board following the merger in April 2024.

Paul sits on our Investment Committee.



Jonathan Pearce

Jonathan is a Chartered Accountant, and Commercial Finance Director at Warner Surveys. He is also a Fellow of the Chartered Institution of Civil Engineering Surveyors. He has over 20 years financial management experience within the construction sector. Jonathan joined Linc's Board in 2016, becoming part of the Group board following the merger in April 2024.

Jonathan sits on our Audit & Risk Committee.

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024 (continued)



Neil Prior

Neil is Cabinet Member for Corporate Improvement and Communities at Pembrokeshire County Council, leading the Council's improvement programme. Neil is a Member Peer at the Local Government Association, Non-Executive Director with the Centre for Digital Public Services, Chair of Pembrokeshire's Public Services Board, and his local Community Council.

Neil sits on our Audit & Risk Committee.

Pobl Group Co-optees



James Wadlow, Group Responsible Individual (RI)

James is our Director of Care and the Responsible Individual for Pobl's RISCA regulated Services which span South Wales. James has over 20 years' experience of working within Care, Support and Housing at a senior level. Working closely with partners, James has delivered financially sustainable, high-quality services, which focus on customer and colleague co-production and experience.

James sits on our Quality of Care & Safeguarding Committee.

Scott Sanders, the Group's Chief Executive, and Leanne Penny-Thomas, our Executive Director of Finance and Governance are also co-opted members of the Board.

Independent Committee Members



Amarjit Atkar

Amarjit is a Fellow of the Institute of Chartered Accountants, experienced in risk management, finance, governance, control and assurance frameworks. He has worked in both the private and public sector, and with international NGOs. Amarjit is currently an independent member of the Audit and Risk Assurance Committee at the Department of Transport.

Amarjit is a member of our Audit & Risk Committee.



Nygaire Bevan

Nygaire has over 40 years' experience in social and health care, after qualifying as a nurse and then a social worker. Before retiring, she supported the Greater Gwent region to implement the Social Services and Wellbeing (Wales) Act. Nygaire is currently a Bevan Commissioner, an Inspector for Care Inspectorate Wales and undertakes voluntary work with a number of cancer charities.

Nygaire sits on our Quality of Care & Safeguarding Committee.



Gerwyn Neal

Gerwyn has over 20 years' experience of working in the construction industry, focusing on Commercial Management, Quantity Surveying and Project Management. He is currently Senior Commercial Manager at Willmott Dixon Construction, with responsibility for feasibility, cost planning and control, core measurement and post contract administration.

Gerwyn sits on our Investment Committee.

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024 (continued)

Executive Officers

The Linc Executive Officers resigned from office on the 31st March 2024 in advance of the merger of Linc into the Pobl Group. The Executive Officers listed below are the Pobl Group Executive Team.



Scott Sanders
Group Chief Executive

Scott was CEO at Linc Cymru prior to leading the business into a merger with Pobl Group in 2024. He has over 30 years' experience within the housing sector, having led mergers, developed new businesses, transformed business cultures and delivered financially successful services. Scott is passionate about modernising business practice, utilising customer insight to ensure service models address customer need.

Scott chairs the Executive Committee and is a co-opted member of the Group Board.



Leanne Penny-Thomas
Executive Director Finance & Governance

Leanne joined Pobl Group in 2012. She is a Fellow of the Institute of Chartered Accountants in England and Wales, and previously held the role of Finance Director with Pobl. She was appointed Executive Director in February 2024, and is responsible for Financial Operations, Corporate Finance, Legal, Governance, Risk and Assurance.

Leanne is a co-opted member of the Group.



Gaynor Morris
Executive Director People & Organisational Development

Gaynor joined Pobl Group in June 2013. She is a qualified CIPD professional with over 30 years' experience across several sectors, namely pharmaceuticals, manufacturing and recycling industries. She holds master's degrees in Human Resources Development and Cognitive Behavioural therapy.

Gaynor's role includes talent attraction and development, Human Resources, and organisational development.

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024 (continued)

Executive Officers



Andrew Vye

Executive Director Customer & Communities

Andrew has worked at Pobl since 2016 and oversees the delivery of our housing and repair services to customers including Students, Social Renters, and Home-Owners. Andrew is also responsible for our Care and Support services, providing commissioned care and support to 1,000s of individuals.

Andrew is a Community Housing Cymru board member and a Trustee of Care and Repair Cymru.



Neil Barber

Executive Director Property & Investment

Neil has been a Chartered Surveyor for nearly 30 years, playing a key role in a team which has consistently delivered the largest RSL development and sales programme in Wales. The Property and Investment Team brings together Pobl's development activity with the asset management of our existing homes, and management of our office accommodation.



Andrea Gale

Executive Director Technology, Data & Programmes

With over 30 years' experience in the sector, Andrea's background is in organisational change, technology and data, having lead a number of mergers in the Welsh Housing Sector. Andrea previously held the position of Director Digital & Business Change in Linc, overseeing the organisation's modernisation programme.

The Executive Officers of Linc hold no interest in Linc's share capital, they act as Executives within the authority delegated by the Board.

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024 (continued)

Board and Corporate Governance

The activities of Linc are overseen by the Board which meets once every two months. During 2023/24 there were five Committees that reported directly to the Board, each overseeing specific activities:

Audit Committee

The Audit Committee meets at least three times a year. The objectives and purpose of the Audit Committee are to support and advise the Board in fulfilling its duty to ensure that:

1. The necessary systems, controls and procedures are established and maintained in order to safeguard the interests of all stakeholders in Linc's activities.
2. Systems and procedures are established to ensure the most efficient and effective use of Linc's resources.

The Audit Committee recommends the appointment of the internal and external auditors to the Board and considers all audit and governance issues arising from both the internal and external auditors. The Committee approves the annual internal audit programme and audit risk assessment.

Care Committee

The Care Committee meets at least four times a year. The objectives and purpose of the Care Committee are to support and advise the Board in the following areas:

1. Provide assurance to the Board that Linc's registered Nursing Home services are compliant with the regulations as set out in the Statutory Guidance to the Regulation and Inspection of Social Care (Wales) Act 2016 and operate effective Clinical Governance.
2. Provide assurance to the Board that Linc's registered Nursing Home services are compliant with standards and reporting requirements of Health Board and Local Authority Commissioners.
3. Ensure appropriate quality indicators are in place for the effective monitoring of the service and to provide the necessary assurance to the Board.
4. Review the Corporate Risks that are relevant to the operation of the Nursing Homes.

Development Committee

The Development Committee meets at least three times a year. The objectives and purpose of the Committee are to support and advise the Board on new development to ensure that:

1. The viability and risk associated with new development proposals is in line with the Board approved business plan.
2. New developments are in line with the Board approved assumptions.
3. The cumulative risk profile of the development programme remains in line with the Board approved parameters.
4. Significant variances against approved feasibilities are reported to the Board.

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024 (continued)

Remuneration and Pension Governance Committee

The Remuneration and Pension Governance Committee meets at least once a year. Additional meetings are held as the need arises. The objective and purpose of the Remuneration and Pension Governance Committee is to consider and make recommendations to the Board on the following matters:

1. The remuneration and terms and conditions of service of:
 - The Non-Executive Directors
 - The Chief Executive Officer (CEO) and the Executive Directors, who together form the Executive Team.
 - All other Linc employees.
2. The systems and procedures in place to safeguard the interest of Linc's L&G and NEST pension scheme members.
3. The systems and procedures in place to safeguard the interests of Linc's employees automatically enrolled into the NEST pension scheme.

Nomination Committee

The objective and purpose of the Nomination Committee is to support and advise the Board in fulfilling its Governance responsibilities and under the Rules in ensuring that the Board is comprised of individuals who are best able to fulfil the responsibilities of Board Members as laid out in the Rules and Regulatory Requirements issued by the Welsh Assembly Government.

Statement of the Board Members' Responsibilities

The board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the board to prepare financial statements for each financial year. Under that law the board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under the Co-operative and Community Benefit Society legislation the board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the association and group for that period. In preparing these financial statements, the board is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024 (continued)

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements of Registered Social Landlords General Determination (2015). It is also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of Information to Auditors

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

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

Internal Financial Control

The Welsh Government requires Registered Social Landlords (RSLs) to report on internal controls. The Board acknowledges its overall responsibility for establishing and maintaining the system of internal financial control and for reviewing its effectiveness. The system of internal financial control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The Board has reviewed the effectiveness of Linc's internal financial control system for the period from 1st April 2023 to 9th September 2024, the date of this report.

The following mechanisms are in place and are designed to provide effective internal control:

- Standing Orders and Financial Regulations which detail the delegated authority from the Board of Management to Officers.
- Management information and accounting systems with monthly reporting of financial results and other performance indicators compared with forecasts and budgets.
- Rolling five-year strategic plans, forecasts and development plans.
- A business model forecasting Linc's financial position over the next 30 years.
- Monitoring of the control system by the Audit Committee, internal auditors and external auditors.
- Ensuring that formal policies and procedures are in place, including the documentation of key systems.
- Linc has in place a process for identifying, evaluating and managing the significant risks it faces. The Strategic Risk Register, which is supported by individual Operational Risk Registers, is reviewed by the Risk Management Group and Business Leadership Group quarterly, and at each meeting of the Audit Committee and by the Board quarterly. This process has been in place for the whole of the period covered by these financial statements up to and including 9th September 2024.
- Linc has policies and procedures to safeguard its assets and to prevent and detect fraud and other irregularities. The Board has general responsibility for taking such steps as are reasonably open to it, for the prevention and detection of fraud and recovery of assets.

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024 (continued)

Governance Review

The Linc Board meets formally seven times a year and is responsible for the strategy and policy framework, delegating the day-to-day management and the implementation of the strategy to the Chief Executive and the Executive Team members.

During 2023/24 we continued to build on our governance framework to ensure that Linc remains dynamic, focused, and fit to face future challenges and we progressed the following initiatives:

- Published a self-evaluation against the Regulatory Standards. Our most recent Regulatory Judgement received a Compliant (green) Judgement for both Governance and Tenant Services, and Financial Viability.
- Demonstrated compliance against Community Housing Cymru's Code of Governance.
- Undertook an annual internal Governance Review
- Received an independent assessment of Linc's governance by the Pobl Group in relation to the impending merger
- Carried out a joint review of standing orders with the Pobl Group to reflect the new merged Group with effect from 1 April 2024.
- Published our second Environmental Social Governance (ESG) Statement.
- Renewed our Value for Money Statement.
- Carried out Board Impact Sessions focused on specific topics. Including reflections on diversity, equality and inclusion in our annual Board self-assessments.
- Set out our year three actions in line with our Business Plan 2022-27.
- Reviewed our Risk Appetite Statement
- Demonstrated compliance with the Complaints Standards Authority Policy and Guidance
- Reviewed our Performance Management Framework.
- Reviewed our Overarching Business Continuity Plan
- Strengthened our Business Continuity approach by introducing a series of service specific business response plans around malicious cyber activity and ran a cyber-attack response exercise.
- Carried out regular colleague Pulse surveys.
- Continued to support Pathways to Board Project, which supports individuals from Black, Asian and Minority Ethnic (BAME) backgrounds into Board membership.
- Reviewed our Assets and Liability Register
- Carried out a regulated Survey of Tenants and Residents (STAR)
- Carried out a Compliance Review of Regulatory Compliance which received a substantial assurance result.
- Carried out Compliance Reviews of Key Financial Controls and Assets and Liabilities Register which received reasonable assurance results.
- Carried out an Assurance Review of the Renting Homes (Wales) Act which received a reasonable assurance result.
- Carried out an Assurance Review of the Value for Money Statement which received a substantial assurance result.
- Established a joint Officer and Board Group to enable appropriate oversight of the sales of Linc's nursing homes.
- Established a joint Pobl and Linc Board Group to oversee the Linc/Pobl merger.

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024 (continued)

Compliance with the CHC (Community Housing Cymru) Code of Governance

The CHC Code of Governance set the principles and recommended practice for good governance. The code is seen to be a tool for continuous improvement towards the highest standards in governance. The Board considers and reflects on the Linc's compliance against the seven principles set out in the code on an annual basis.

The Board agreed that Linc's compliance with the code had been demonstrated. The Board is continuing to consider how we attract diverse talent in future Board recruitment campaigns.

Board Membership

Linc aims to ensure a diverse Board Membership which is representative of the areas in which it provides housing, health and social care schemes and services and to recruit members to serve on its Board of Management. Board Membership shall be open to all who:

- Meet the requirements of membership as laid down in Linc's Rules.
- Openly and genuinely support the principle of delivering the strategic plans and priorities of Linc in respect of housing, health and social care.
- Have no business interest in Linc.

The Board as a whole, benefits by having members, all of whom are drawn from the private and public sectors, with the following skills, knowledge and experience:

- Governance, business and strategic management.
- Commercial experience.
- Treasury management, funding and risk management.
- Social enterprise and community development.
- Media, public relations, communication and marketing.
- Business transformation in a digital era.
- Human resources, training and development.
- Asset management, the construction industry including related professional services, property development, climate change and carbon neutral development.
- Legal.
- Social and affordable housing, health, nursing and social care activities.
- Customer Service.
- Equality and diversity.
- Technology and Robotics.
- Financial management and audit control.
- Construction design, development and procurement.
- Health and Safety.

The Board is supported and advised by an Executive Team led by the Chief Executive Officer. The Team comprise people with considerable knowledge and experience of both the strategic environment and the operational requirements of Linc.

Existing Non-Executive Directors are encouraged to provide the Board with up to 6 months' notice of their intention to leave the Board (except where a Member is completing the maximum of 9 years' term). This aids succession planning and mitigates against big changes at any one time.

At least annually, the Nomination Committee reviews the membership of the Board taking into account succession planning and identifies skills, knowledge and experience gaps. The Committee reports on its findings to the Board.

Linc-Cymru Housing Association Limited Board and Governance Report for the year ended 31st March 2024 (continued)

Care Inspectorate Wales

Care inspectorate Wales (CIW), the statutory body that regulates care standards in nursing homes in Wales, requires all providers of nursing homes in Wales to appoint a Responsible Individual (RI). The RI must be an individual who has either a financial interest in the business or is in a position of authority to direct the care delivered. To satisfy this requirement, the group appointed James Wadlow, Pobl's Director of Care as a co-optee Board Member. James's appointment as Linc's RI is approved by CIW.



Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024 (continued)

Tenant and Resident Involvement and Engagement

We began the new financial year with excellent news: our TRSG (Tenant and Residents Strategic Group) won the 1st prize TPAS award for Tenant Team of the Year. They collaborated with us to ensure that our service to all customers continued to focus on what matters most. Their work around the cost of living also helped us secure an additional £10,000 to spend on food and energy costs for those experiencing severe hardship, whether in low-income but working households or those receiving benefit entitlements.

Throughout the year, the TRSG scrutinised our approaches across some key strategic areas:

- ✓ **Rent consultation:** The group assessed our approach to consulting with the wider customer base. This year, we received over 600 survey responses, providing Linc and the Board with a detailed understanding of the impact of rent increases on customers and the necessary support to alleviate cost-of-living pressures. The feedback from a wide customer base was crucial for the Linc Board to make a robust decision on the rent policy for 2024/25.
- ✓ **Damp, Mould, and Condensation:** The TRSG reviewed our approach and processes, ensuring our communications are clear and accessible to a range of customers. This included reviewing aspects of the new Healthy Homes webpage.
- ✓ **A voice during our merger** with the Pobl Group: The TRSG acted as a sounding board on merger issues, such as the potential development of local community hubs and ensuring continued local accessible services for customers.
- ✓ Working with Linc colleagues to develop the **role of neighborhood officers:** The TRSG provided feedback on the role and engagement in the process of change.
- ✓ Cross-checking and approving recommendations from user research on specific topics, such as exploring why satisfaction rates differ from the norm in some survey responses.

This year, our partnership with the University of South Wales allowed us to benefit from six music therapy students who conducted weekly sessions at Llys Enfys Extra care scheme in Cardiff, Wellwood Extra Care Scheme, and Capel Grange Nursing Home in Newport. These sessions brought a rich range of group therapy experiences to older residents. The feedback was outstanding, and Llys Enfys was so inspired by the sessions that they decided to establish their own Therapeutic Music Group, with the goal of finding funds to develop and continue the music project.

- As part of our Live Brief Challenge work, we had the opportunity to explore a range of student research studies that investigated the evidence base for green spaces and poverty reduction. Discussions around play spaces led us to redesign our approach, focusing on supporting communities to run activities using self-directed children's activities and play.
- We collaborated with the University of South Wales as part of a cross-sector group to organize a health, housing, and research consensus meeting. The goal was to identify key priorities for research, and we are now developing ideas as part of our PhD program.
- Our work with OU Wales has resulted in our participation in a Wales-wide initiative. We worked diligently to develop a proposal with our local community in Neath Port Talbot, centered on capturing their needs and aspirations for the project. We were delighted to hear that the OU application to the National Heritage Lottery Fund was successful, bringing in over £300,000 for this initiative, which will bring communities together to explore their heritage.

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024 (continued)

User Research: We continued to refine our user-research skills to ensure we secure rich and meaningful insights for shaping services. We interviewed customers about their experiences with damp and mould, gathering valuable information to drive improvements along the customer journey. Our research formed the basis of an exhibition shared across the organization, and we continue our work.

Customer Touch Point Surveys: Providing opportunities for customers to provide feedback to Linc in various ways is crucial for supporting customers in shaping and improving services. In April 2023, we introduced customer touchpoint surveys across some service areas. These surveys replaced previous methods of seeking feedback, such as lengthy forms or surveys, with a quick and easy opportunity for customers to rate the service they have received. This is followed by an option to provide additional feedback. The surveys are providing excellent insights into the customer experience and helping us understand where we need to focus our improvement efforts. The qualitative feedback allows colleagues to understand the reasoning behind the score, explore emerging themes, and use this information to enhance the customer experience.

Employee Involvement and Participation

We are proud of the hard work, commitment and passion demonstrated by our colleagues across Linc. We have consistently delivered our services with professionalism, and with the kindness and care that helps us to promote and fulfil our purpose to Create the Right Environment for People to Flourish. Throughout the past few years, the challenges we faced helped us to come together stronger and with resilience and pride, as One Linc.

Fit 2 Flourish

We continue to develop and enhance our Fit 2 Flourish programme. This enables line managers and their teams to discuss, through regular check-ups and check-ins, a range of key areas to help enhance engagement delivery of outcomes. The five key areas are wellbeing, learn, insight, support and communication. The check-in and check-up discussions are employee led whilst at the same time enabling the line manager full scope to deliver praise, set objectives and progress on key priorities. The approach provides opportunities to address concerns or issues in a way that promotes confidence and motivation to improve.

Agile Working

We continue to make good progress in becoming a more agile workplace, not only from a location perspective but also in streamlining processes and driving technical solutions to improve efficiency. We have revisited our agile approach ensuring service delivery, colleague wellbeing and collaborative working continues to be key principles. Our hybrid approach enables us to focus on output and flexibility.

We continue to embrace developments in technology and systems and utilise data to continuously improve and review how our agile approach is progressing.

Diversity & Inclusion

In addition to our Investors in Diversity Accreditation we have developed a strategic action plan detailing our commitment to take positive action to ensure a fully inclusive workforce, where everyone feels a sense of belonging. Specific action plans have been developed by our Racial Equality and LGBTQ+ working groups, which are made up of staff from across Linc. The working groups have input and influence in policy development where impact on all protected characteristics is considered. Progress is reported to our Board and Business Leadership Group on a regular basis.

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024 (continued)

Wellbeing

Our Wellbeing Strategy is well developed with key actions underway. Our four pillars of Wellbeing, Financial, Physical, Emotional & Environmental/ Social, continue to be a key focus. During the year, along with legislative health and safety measures, our Wellbeing Officer has continued to provide considerable support to all our employees including those most affected by the cost of living increases and other challenges. We continue to review our mental health and wellbeing data to identify and support staff who might be struggling emotionally with the challenges in their everyday life, this ensures we continue to provide the most appropriate support and help to our colleagues when they need it most.

Remuneration of Non-Executive Directors and Staff

Non-Executive Directors

Linc believes that Non-Executive Director remuneration is an important tool in ensuring that the Board and its Committees are able to recruit and retain appropriately skilled, knowledgeable and experienced individuals to support the delivery of strategic objectives.

Remuneration levels are reviewed as a minimum every three years by the Remuneration Committee to ensure that they remain in line with sector norms. Any changes will be approved by the Board on a recommendation from the Remuneration Committee.

Remuneration levels are reviewed as necessary and benchmarked for guidance purposes only against relevant comparators (including but not limited to any available CHC benchmarking surveys, comparable practice in England and Scotland, other surveys of housing association Non-Executive Director remuneration, any other public, quasi-autonomous non-governmental organisation (quango), Welsh Government arm's length bodies and not-for-profit comparators available at the time). Linc aims to remunerate at levels +/- 5% of remuneration offered by similarly sized not-for-profit housing organisations. At no time will remuneration exceed 0.25% of our total turnover. Where appropriate, consideration will also be given to the use of an independent external adviser to support the Remuneration Committee's work on Non-Executive Directors' Remuneration.

Non-Executive Director Salary Structure

The annual remuneration paid to Linc's Non-Executive Directors is as follows:

The Chair of the Association £10,000

Non-Executive Directors £5,000

Non-Executive Directors who Chair one or more Committees £6,000

Linc Staff

In our commitment to create an environment for everyone to flourish, we recognise that pay and benefits are important to all of our employees, and we aim to provide a pay and benefits package which is market competitive. Linc classifies each job role by job families, this ensures an approach to reward which reflects the relevant job markets across the business.

A key part of this approach is to engage an external benchmarking specialist to review our salaries and terms and conditions of employment. This is undertaken against equivalent jobs in the local area, the whole of Wales, regional or national perspective as is appropriate for each role or family. On determining the appropriate salary for a post, Linc will normally use the mid-point as determined by the benchmark exercise.

Linc-Cymru Housing Association Limited

Board and Governance Report

for the year ended 31st March 2024 (continued)

We provide our data for inclusion in Community Housing Cymru's, annual CEO pay and HR benchmarking surveys. These enable us to review our pay and conditions against other housing associations in Wales. We are able to review the data from a financial turnover and number of units perspective as well as the complexity of business, such as whether they have a care provision. In addition, we contribute to the National Care Forum, Social Care Reward survey which means we are able to review our data against other care providers. This regular review of our remuneration position ensures we provide sufficiently attractive remuneration packages to recruit, motivate, develop, and retain an engaged and committed workforce.

Employee Acknowledgement

The Board wishes to thank all Linc employees for their continued commitment to our tenants, residents and stakeholders. We continue to face challenges with the increases in the cost of living and our employees have responded in a way that has demonstrated their commitment, empathy, kindness and respect for those for whom we provide homes and care. The Board does appreciate all that you do for the Association.

Thank you.

Regulatory Judgement

The last Regulatory Judgement was published by the Welsh Government in July 2022, with an interim judgement for the new Pobl Group in July 2024. Both received the following judgement:

Governance and Tenant Services – Compliant (Green)

The Association meets the regulatory standards and will receive routine regulatory oversight.

Financial Viability – Compliant (Green)

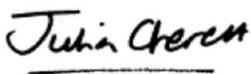
The Association meets the regulatory standards and will receive routine regulatory oversight.

The Board welcomed this judgement noting that 'Compliant' is the highest category that the Welsh Government can award.

Auditors

A resolution to appoint KPMG LLP as auditors of Linc will be proposed at the Annual General Meeting.

By the order of the Board



Julia Cherrett

Chair of the Board

Linc-Cymru Housing Association Limited

Financial and Performance Review

for the year ended 31st March 2024

Financial Review

In summary, the Association's consolidated financial results for the year ended 31st March 2024 are considered satisfactory, considering the economic pressures of inflation and rising interest rates. The surplus for the year amounted to £92,000 compared to the budgeted surplus of £2.2 million. There were several one-off adjustments that has impacted the surplus, they are a £2.3 million Nursing Home value impairment and a £905,000 reduction in investment property value. After adjusting for these the trading surplus was £3.3 million. The Board receives monthly finance reports, which detail any trends as they emerge. All surpluses are retained by the Association in accordance with the Rules with no distributions made to Shareholders. The significant variances in the year compared to that budgeted are:

1. A £2.3 million impairment in the carrying value of Ty Coch Nursing Home following the decision to sell the Nursing Home portfolio and the market offer received.
2. A £0.905 million decrease in value of the Association's market rent properties, The reason for the decrease this year is that the vacant property sale market in Cardiff has either remained flat or decreased in the last year. In contrast the rental market remains very strong, but Linc rents are about 20% below the market so we do not have this to offset the lower VP values.
3. Turnover at £57.7 million was £0.6 million better than budget due to higher Nursing Home fees and increased tenanted rental income due new properties coming into management.
4. Lost rent and service charges through voids was higher than planned at £0.3 million worse than budget.
5. Whilst rising costs in the economy had an impact on our operating costs contractual negotiations on renewal of the utility contracts from October 2023 allowed a £0.5 million saving compared to the budget.
6. Investment in our properties continued with £13.1 million of maintenance works charged to the comprehensive income statement that was £0.3 million more than budget.
7. The bank base rate rising steadily throughout the year to 5.25% on 3rd August 2023 allowed £1.1 million of interest receivable on cash and cash deposits. This was £1 million more than budget.

Significant Management Judgements and Key Sources of Estimation Uncertainty

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

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

Linc-Cymru Housing Association Limited

Financial and Performance Review

for the year ended 31st March 2024

Significant Management Judgements

The following are management judgements in applying the accounting policies of Linc that have the most significant effect on the amounts recognised in the financial statements. In making these judgements, management has considered the detailed criteria set out in the SORP.

Operating Surplus

Linc has to make an assessment of those items that are considered within operating surplus. Following this assessment, it is considered that the following are conducted in the normal course of operating activity and should be included within operating surplus:

- Impairment of Social Housing Properties (Note h).

Impairment of Social Housing Properties

Linc has to make an assessment as to whether an indicator of impairment exists on any of its properties. As part of the assessment, management identified any properties that have increasing void losses, have a change of use, are impacted by policy changes or where the decision has been made to dispose of the properties. These factors are considered to be an indication of impairment.

Property Classifications

Linc has to make an assessment as to the classification of properties and whether the properties fall into Property Plant and Equipment (PPE) or are treated as Investment Properties

Financial Instruments

Linc must make an assessment as to the classification of its loan portfolio between Basic Financial Instruments and Other/Non-Basic Financial Instruments.



Linc-Cymru Housing Association Limited

Financial and Performance Review

for the year ended 31st March 2024 (continued)

Estimation Uncertainty

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

Useful lives of property, plant and equipment (fixed assets)

Freehold Offices	25 years
Office Improvements	5 years
Office Furniture and Equipment	3 to 10 years
Computer Equipment	4 to 5 years
Motor Vehicles	4 years

The main components of housing properties and their useful lives

	Housing Properties	Care Properties
Structure	150 years	50 years
Roofs	60 & 75 years	50 years
Windows and doors	35 years	35 years
Bathrooms	30 years	30 years
Boilers and heating systems	15 & 20 years	15 & 20 years
Kitchens	15 years	15 & 20 years
Lifts	15 years	15 years
Sprinkler Systems	25 years	25 years
PV Systems	25 years	25 years
Electrical Installations	40 years	40 years

Fair Value Measurement

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

Linc-Cymru Housing Association Limited

Financial and Performance Review

for the year ended 31st March 2024 (continued)

Provisions

Provision is made for bad debts. This provision requires management's best estimate of the costs that will be incurred based on legislative and contractual requirements and Linc's ability to collect rents and service charges as they fall due.

Consolidated Statement of Comprehensive Income

	2024	2023
	£000	£000
Turnover	57,706	50,557
Operating expenditure	(50,978)	(43,991)
Gain on disposal of property, plant and equipment	494	(166)
Gain on transfer of undertakings	0	172
Operating Surplus	7,222	6,572
Interest receivable	1,094	216
Interest and financing costs	(7,391)	(6,461)
Movement in fair value of investment properties	(905)	330
Total Comprehensive income for the year	92	657

Turnover

Turnover for the year ended 31st March 2024 rose by £7.1 million (14.1%) from £50.6 million to £57.7 million. This increase derived from the following sources:

- The increase in rents from social housing lettings from 1st April 2023. We increased our rents by 6.5% as permitted under the rent policy of the Welsh Government.
- Additional units coming into management from developments. During the year, an additional net 80 social housing homes came into management.
- Service charge income has increased by £2.4 million (31.2%) due to extra properties coming into management and inflation on the cost base particularly in relation to utility costs.
- £0.8 million of Optimised Retrofit Grant was taken to income in 2023/24.

Linc-Cymru Housing Association Limited

Financial and Performance Review

for the year ended 31st March 2024 (continued)

Operating Expenditure

Net operating costs increased by £7.0 million (15.9%) to £50.98 million. 2023/24 saw the continued high levels on inflation with Bank of England interest rate rises to counteract inflation peaking at 5.25% in August 2023. This led to cost increases for the Association and the further National Living Wage increase of 9.7% in April 2023 which affected staff costs with limited scope to increase rents and fees. The following items are specific items of the increase:

- A £2.3 million impairment in the carrying value of Ty Coch Nursing Home following the decision to sell the Nursing Home portfolio and the market offer received.
- A £1.1 million increase in salary costs due to the annual salary uplift and National Living Wage increases for some staff. 55% of the overall salary cost increase was in relation to the Association's Nursing Homes.
- A £1.84 million increase in service charges from an increased cost base, this is a mix of new schemes and increased inflation.
- A £1.0 million increase in maintenance/asset management costs. £0.8 million of this increase is grant funded optimised retrofit programme for decarbonisation of properties.
- £0.3 million of bad debt provision, in prior year no additional provision was made due to high levels of existing provision.
- £0.2 million of depreciation on new properties coming into management.

Interest and Financing Costs

Interest payable at £6.461 million increased by £0.9 million (16.2%), bank base rate rising from 4.25% on 23rd March 2023 to 5.25% on 3rd August 2023 impacted on the Association's interest costs. £25 million of new finance was drawn down during 2023/24 with £20 million in August 2023 from an existing private placement and £5 million from a Welsh Government loan in March 2024.

Total loans at 31st March 2024 amounted to £180.3 million a net increase of £24.5 million during the year. 82.3% of the loan portfolio continues to be held in fixed interest rate facilities; this has increased from 79.4% in the previous year as the new financing of £25 million at fixed interest rates was drawn during the year. The average cost of borrowing for the year ended 31st March 2024 was 4.09% compared to 4.15% for the year ended 31st March 2023.

Disposal of Property Plant and Equipment

A net profit of £494,000 was recorded on the disposal of property plant and equipment. Included in this net figure is £704,000 from 3 property sales that took place which generated a surplus of £596,000 and 3 home buy transactions generating £108,000. A £210,000 loss was the result of the disposal of plant and equipment, mostly from the replacement of components of the housing properties.

Surplus (Deficit) on Revaluation of Investment Properties

Linc owns and manages a number of market rent properties, which under FRS 102 are included as investment properties, these being non-social housing properties held for letting. These investment properties are valued annually in accordance with the requirements of FRS 102 and the 2018 SORP and the surplus on the valuation carried out in 2024 resulted in a decrease in the value of the properties of £905,000. In previous years these properties increased in value.

Linc-Cymru Housing Association Limited

Financial and Performance Review

for the year ended 31st March 2024 (continued)

Linc has no intention of disposing of these housing properties and the decrease in value will only be realized should these properties be sold.

Linc Care Performance Review

Linc is a significant provider of high-quality accommodation and care for older people and also works with a range of partners to deliver a diverse range of accommodation and services in the broader social care and housing support field. Linc has three large nursing homes for older people and is the registered nursing care provider, eleven Extra Care schemes, a range of sheltered and specific older person housing and over forty supported accommodation and support schemes covering young people, people who are at risk of homelessness and people with mental health needs or with a learning disability.

Linc's nursing homes are focused on delivering high-quality, person-centered care in a comfortable environment. A range of care needs are met including dementia and the services delivered aim to enhance the wellbeing, dignity, and control of each individual in line with the expectations set out in the Social Services and Wellbeing Act. This includes a positive focus on food, activities, and support with mobility alongside excellent care.

The challenges of running registered care services have continued into the post-covid period. Challenges remain regarding staff retention and recruitment into the care and support sector as a whole and associated with this is the challenge of ensuring that the quality of services to residents is maintained. During 2023/24 we saw costs increase substantially. In addition, the Welsh Government introduced the Real Living Wage for care staff in registered nursing homes. All these factors have placed an increased burden on fee rates to ensure the homes remain financially viable against a backdrop of increased challenges for Local Authorities to meet the new fee rates. During 2023/24 the Linc Board took the decision to seek purchasers for its 3 Nursing Homes with disposals expected in 2024/25.

Linc has continued to increase its provision of Extra Care schemes and the schemes continue to be much in demand due to the combination of independence, care and security. The Extra Care partnership with Rhondda Cynon Taff Borough Council continues to progress with an extension of the partnership agreement in 2023/24.

Consolidated Statement of Financial Position

	2024 £m	2023 £m
Fixed Assets	403.5	374.9
Current Assets	737	35.0
Total Assets	477.2	426.9
Housing Loans	180.3	155.8
Government Grant	223.5	201.8
All other Liabilities	14.9	10.9
Total Liabilities	418.7	368.5
Net assets as represented by reserves	58.5	58.4

Linc-Cymru Housing Association Limited

Financial and Performance Review

for the year ended 31st March 2024 (continued)

Reserves Statement

Total reserves at 31st March 2024 were £58.5 million, an increase of £92,000 on 31st March 2023. £57.9 million of the reserves were income & expenditure reserves with the remaining £0.6 million being designated reserves that have been established for the replacement of service equipment at specific schemes.

The income and expenditure reserves represent the accumulated annual surpluses (and deficits) since Linc was formed in 1977. The reserves are not always cash backed and have been invested in housing properties, which are not funded, by grant or loans. The reserves are used for the following purposes:

- To invest in the development of existing and new schemes.
- To enable Linc to raise finance to continue to invest in existing and new schemes.
- To provide a reserve against future risks and unplanned budget deficits.

Working Capital and Treasury Management

The working capital position of Linc at 31st March 2024 was satisfactory. Net current assets amounted to £55.8 million in line with the net current assets of £23.6 million at 31st March 2023. The increase in cash and cash equivalents of £33.0 million is due to £18.3 million of net cash generated from operating activity, £17.3 million from financing activity less net investment activity of £2.6 million.

Cash and cash equivalents at £55.9 million reflect the private finance arranged to fund future housing development. We will continue to arrange new finance in advance to ensure that we have the cash resources to fund new Board approved schemes.

Capital Expenditure on New Homes

During the year, capital expenditure of £17.3 million was incurred in developing new schemes. At the end of the year capital commitments relating to ongoing development amounted to £165.9 million, which will be funded by a combination of Social Housing Grant, Housing Finance Grant, Innovative Housing Programme and private finance.

Depreciation

Linc depreciates the major components of its properties over the following useful economic lives: Freehold land is not depreciated. Leasehold land is depreciated over the remaining term of the leases.

Linc-Cymru Housing Association Limited

Financial and Performance Review

for the year ended 31st March 2024 (continued)

Housing properties

Structure	150 years
Roofs	60 & 75 years
Windows and doors	35 years
Bathrooms	25 & 30 years
Boilers and heating systems	15 & 20 years
Kitchens	15 years
Lifts	15 years
Sprinkler Systems	25 years
PV Systems	25 years
Electrical Installations	40 years

Care properties

Structure	50 years
Roofs	50 years
Windows and doors	35 years
Bathrooms	25 & 30 years
Boilers and heating systems	15 & 20 years
Kitchens	15 & 20 years
Lifts	15 years
Sprinkler Systems	25 years
PV Systems	25 years
Electrical Installations	40 years



Linc-Cymru Housing Association Limited

Financial and Performance Review

for the year ended 31st March 2024 (continued)

Funding

Housing properties which have an historic cost of £459 million at 31st March 2024 are financed as follows:

Social Housing Grant (£254m)	55%
Private finance (£180m)	39%
Reserves and working capital (£25m)	6%

Linc has eight funders who provide private finance. The funding provided by each at 31st March 2024 was:

Funder	Facility Amount (£)*
Handelsbanken Plc	Nil
M&G Investments Ltd.	4.7m
Nationwide Building Society	20.0m
Orchardbrook Ltd.	1.7m
Principality Building Society	7.2m
Private Placement 2018	75.0m
Private Placement 2022	60.0m
Welsh Government	12.8m

*Facility amounts are gross of capitalised facility fees.

Undrawn Facilities

A revolving credit facility for £15 million is in place with Nationwide Building Society. At 7th September 2024 and 31st March 2024, no amounts had been drawn from this facility.

A revolving credit facility for £25 million is in place with Handelsbanken Plc. At 7th September 2024 and 31st March 2024, no amounts had been drawn from this facility.

Financial Covenants

Compliance with loan covenants is monitored and reported to the Board each month. Linc met all the requirements of the financial covenants contained within the loan documentation of its private funders during the year ended 31st March 2024.

Linc-Cymru Housing Association Limited

Financial and Performance Review

for the year ended 31st March 2024 (continued)

Property Stock

Property stock in management at 31st March 2024 was as follows:

General Needs	3,110
Extra Care	491
Sheltered and Supported Housing	904
Shared Ownership	126
Home Buy Option	76
Intermediate / Market Rent	488
Nursing Care	208
Retail units	9
Total Units	5,412

Employees

The average number of employees during the year was 738 (2023, 757 employees) with 551 full time equivalents (2023, 642 full time equivalents). Our continuing strategy for our nursing homes is to be less dependent on costly agency staff used to cover planned and unplanned absences.

Learning and Development

We place great emphasis on the learning, development, and wellbeing of our employees so that they keep up to date with legislation and emerging technology, are able to adopt new approaches and enhance their skills. Learn and grow sessions are provided for those wishing to develop their career and we are regularly able to retain employees by promoting from within.

The Board have an annual Learning and Development plan with a blended offering of opportunities consisting of training courses, webinars, project updates and conferences.

Performance Indicators

Targets are set for published Key Performance Indicators (KPI's), and they are used in the management of performance and in setting the strategies for continuous improvement. All indicators are derived from internal data and are calculated in accordance with published KPI's. Performance against these indicators is reported to the Board quarterly.

Linc-Cymru Housing Association Limited

Financial and Performance Review

for the year ended 31st March 2024 (continued)

Group Financial Statements and Subsidiary Company

In August 2009 Linc formed a subsidiary company Tarbed Limited to undertake development work on behalf of Linc in order to maximise the financial viability of new developments. The subsidiary is 100 per cent owned by Linc and the results of Tarbed are included in the consolidated group financial statements of Linc-Cymru Housing Association.

Tarbed made an annual profit before tax in the year ended 31st March 2024 of £21,958 and the whole of this profit was remitted to Linc-Cymru Housing Association under the Corporate Gift Aid provisions. A Deed of Covenant is in place between Linc-Cymru Housing Association and Tarbed, which stipulates that all profits in Tarbed are to be paid over to Linc. Copies of the financial statements of Tarbed are available from Linc's Company Secretary.

Property Sustainability Strategy

Linc has a Board approved long term Property Sustainability Strategy. The strategy addresses the sector risk which identified that there may be properties in areas where current demand is not as strong as it once was, with the ensuing risks of low demand, voids and impairment. Linc's strategy has identified specific areas and properties where we have evaluated that these risks will develop in the future. When one of the properties in the strategy becomes vacant, a decision is made on whether to dispose of the property. The Board reviews the strategy every year as part of the business planning process. In the 2023/24 financial year 3 properties included in the strategy were sold.

Development

During 2023/24 an additional net 81 social housing homes came into management including a 28 home development in Pentwyn, Cardiff, 32 home over 55's development in Neath and 17 homes under s106 planning agreements from commercial housebuilders.

Developments Planned for 2024/25 to 2028/29

The Board approved budget and forward indicators include a development programme of identified schemes for the next five years which amounts to 1,183 social housing homes being developed in this period. The development programme includes an additional three extracare schemes for Rhondda Cynon Taff County Borough Council. The development programme will be funded by Social Housing Grant, Housing Finance Grant, Innovative Housing Programme, Section 106 allocation and private finance loans.

Following the merger into the Pobl Group the development plans will be combined into the whole group programme. Progress on the development programme is reviewed by the New Business Group and the Investment Committee of Pobl Group.

At 31st March 2024, the Association had £5.1 million in the Recycled Capital Grant Fund and Disposals Proceeds Fund, which will be allocated to new schemes as they are developed during 2024/25 and later years.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINC-CYMRU HOUSING ASSOCIATION ON CORPORATE GOVERNANCE

In addition to our audit on the financial statements for the year ended 31 March 2024, we have reviewed the Board's statement of Linc-Cymru Housing Association ("the Group") compliance with the Welsh Government Circular 02/10, Internal Financial Control and Financial Reporting ("the Circular").

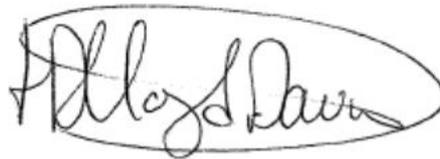
The objective of our review is to enable us to conclude on whether the Board has provided the disclosures required by the Circular and whether the statement is consistent with the information of which we are aware from our audit work on the financial statements.

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

Opinion

With respect to the Board's statement on internal controls assurance on page 18, in our opinion the Board of Management has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work on the financial statements.

Bevan Buckland LLP
Chartered Accountants & Statutory Auditors
Ground Floor, Cardigan House,
Castle Court,
Swansea Enterprise Park Swansea
SA7 9LA

A handwritten signature in black ink, enclosed within a hand-drawn oval. The signature appears to be 'Alloyd Jones'.

Date: 9th September 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINC-CYMRU HOUSING ASSOCIATION ON CORPORATE GOVERNANCE

Opinion

We have audited the financial statements of Linc-Cymru Housing Association (the 'parent' association) and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Group and the parent association's Statements of Comprehensive Income, the Group and the parent association's Statements of Financial Position, the Group and the parent association's Statements of Changes in Reserves, the Group Statement of Cash Flows and related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and 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 parent association's affairs as at 31 March 2024 and of the group's and the parent 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 the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINC-CYMRU HOUSING ASSOCIATION ON CORPORATE GOVERNANCE

Other information

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

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on page 17, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINC-CYMRU HOUSING ASSOCIATION ON CORPORATE GOVERNANCE

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

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

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

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

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
 - o identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - o internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas;
 - o Purchasing in relation to the development and maintenance programmes, including any sales to connected individuals at below market value;
 - o The recognition of development and maintenance expenditure in the correct period;
 - o The rationale of any major fund flows during the period;
 - o The potential of rent fraud arising as a result of collusion between the asset and housing teams.
- obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Group, The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINC-CYMRU HOUSING ASSOCIATION ON CORPORATE GOVERNANCE

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

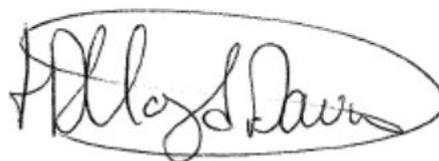
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships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

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

Use of our report

This report is made solely to the association's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the group'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.

Bevan Buckland LLP
Chartered Accountants & Statutory Auditors
Ground Floor, Cardigan House,
Castle Court,
Swansea Enterprise Park Swansea
SA7 9LA



Date: 9th September 2024

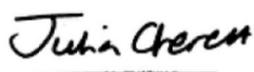
Linc-Cymru Housing Association Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st March 2024

	Notes	March 2024 £000	March 2023 £000
Turnover	2	57,706	50,557
Operating expenditure	2	(50,978)	(43,991)
Gain on disposal of property, plant and equipment (fixed assets)	3	494	(166)
Gain on transfer of undertakings	3	0	172
Other Income	3	0	0
Operating surplus	2	7,222	6,572
Interest receivable	4	1,094	216
Interest and financing costs	6	(7,319)	(6,641)
Movement in fair value of investment properties	1(f)	(905)	330
Surplus for the year		92	657
Total Comprehensive income for the year		92	657

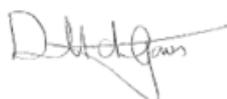
Continuing Operations

The results for the year ending 31st March 2024 and the year ended 31st March 2023 relate wholly to continuing activities.

The financial statements were approved by the Board of management and authorised on 9th September 2024 and signed on their behalf by:



..... Julia Cherrett, Chair of the Board



..... Mike Jones, Board Director



..... Paula Williams, Company Secretary

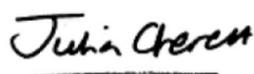
Linc-Cymru Housing Association Limited
Association Statement of Comprehensive Income
for the year ended 31st March 2024

	Notes	March 2024 £000	March 2023 £000
Turnover	2	57,706	50,557
Operating expenditure	2	(50,977)	(43,944)
Gain on disposal of property, plant and equipment (fixed assets)	3	494	(166)
Gain on transfer of undertakings	3	0	172
Other Income	3	22	42
Operating surplus	2	7,245	6,611
Interest receivable	4	1,167	250
Interest and financing costs	6	(7,319)	(6,641)
Movement in fair value of investment properties	1(f)	(905)	330
Surplus for the year		188	730
Total comprehensive income for the year		188	730

Continuing Operations

The results for the year ending 31st March 2024 and the year ended 31st March 2023 relate wholly to continuing activities.

The financial statements were approved by the Board of management and authorised on 9th September 2024 and signed on their behalf by:



..... Julia Cherrett, Chair of the Board



..... Mike Jones, Board Director

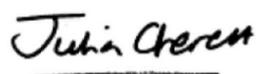


..... Paula Williams, Company Secretary

Linc-Cymru Housing Association Limited
Consolidated Statement of Financial Position
for the year ended 31st March 2024

	Notes	March 2024 £000	March 2023 £000
Fixed Assets			
Tangible Fixed Assets			
Housing properties	10	387,802	374,884
Other fixed assets	11	3,816	4,168
Investment Properties	12	11,560	12,465
Homebuy loans receivable	13	333	403
Investment in subsidiaries	14	0	0
Total Fixed Assets		403,511	391,920
Current Assets			
Trade and other debtors	16	17,808	12,118
Cash and cash equivalents	17	55,936	22,888
		73,744	35,006
Creditors: amounts falling due within one year	18	(17,918)	(11,378)
Net current assets		55,826	23,628
Total Assets less Current Liabilities		459,337	415,548
Creditors: amounts falling due after more than one year	19	(400,789)	(357,092)
Total Net Assets		58,548	58,456
Capital and Reserves			
Designated Reserve		579	579
Income & Expenditure Reserve		57,969	57,877
Total Reserves		58,548	58,456

The financial statements were approved by the Board of management and authorised on 9th September 2024 and signed on their behalf by:



..... Julia Cherrett, Chair of the Board



..... Mike Jones, Board Director

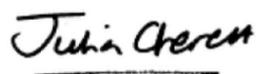


..... Paula Williams, Company Secretary

Linc-Cymru Housing Association Limited
Association Statement of Financial Position
for the year ended 31st March 2024

	Notes	March 2024 £000	March 2023 £000
Fixed Assets			
Tangible Fixed Assets			
Housing properties	10	388,987	375,973
Other fixed assets	11	3,816	4,168
Investment Properties	12	11,560	12,465
Homebuy loans receivable	13	333	403
Investment in subsidiaries	14	0	0
Total Fixed Assets		404,696	393,009
Current Assets			
Trade and other debtors	16	18,059	12,300
Cash and cash equivalents	17	55,828	22,850
		73,887	35,150
Creditors: amounts falling due within one year	18	(18,069)	(11,530)
Net current assets		55,818	23,620
Total Assets less Current Liabilities		460,514	416,629
Creditors: amounts falling due after more than one year	19	(400,789)	(357,092)
Total Net Assets		59,725	59,537
Capital and Reserves			
Designated Reserve		579	579
Income & Expenditure Reserve		59,146	58,958
Total Reserves		59,725	59,537

The financial statements were approved by the Board of management and authorised on 9th September 2024 and signed on their behalf by:



..... Julia Cherrett, Chair of the Board



..... Mike Jones, Board Director



..... Paula Williams, Company Secretary

Linc-Cymru Housing Association Limited
Consolidated Statement of Changes in Reserves
for the year ended 31st March 2024

	Service Equipment Designated Reserve £000	Revenue £000
Balance at 1st April 2022	579	57,220
Surplus for the year	0	657
Transfer to reserves	0	0
Transfer from reserves	0	0
Balance at 31st March 2023	579	57,877
Surplus for the year	0	92
Transfer to reserves	0	0
Transfer from reserves	0	0
Balance at 31st March 2024	579	57,969

Linc-Cymru Housing Association Limited
Association Statement of Changes in Reserves
for the year ended 31st March 2024

	Service Equipment Designated Reserve £000	Revenue £000
Balance at 1st April 2022	579	58,228
Surplus for the year	0	730
Transfer to reserves	0	0
Transfer from reserves	0	0
Balance at 31st March 2023	579	58,958
Surplus for the year	0	188
Transfer to reserves	0	0
Transfer from reserves	0	0
Balance at 31st March 2024	579	59,146

Linc-Cymru Housing Association Limited
Consolidated Statement of Cash Flows
for the year ended 31st March 2024

	March 2024 £000	March 2023 £000
Surplus for the year	92	657
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	6,797	6,519
Decrease / (increase) in debtors	(233)	2,180
Increase / (decrease) in creditors	3,887	194
Gain on transfer of undertakings	0	(172)
Impairment loss on property, plant and equipment	2,306	0
(Increase) in fair value of investment property	905	(330)
Adjustments for investing or financing activities:		
Profit /(loss) from the sale of property, plant and equipment	494	(166)
Government grants utilised in the year	(2,125)	(2,076)
Interest payable	7,319	6,461
Interest received	(1,094)	(216)
Cash received on transfer of undertakings	0	206
Net cash generated from operating activities	18,348	13,257
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,983)	(20,347)
Works to existing properties	(4,337)	(3,138)
Proceeds from sale of property, plant and equipment	317	556
Grants received	18,278	12,816
Interest received	1,094	216
Net cash flows from investing activities	(2,631)	(9,897)
Cash flows from financing activities		
Interest paid	(7,154)	(6,360)
New loans	25,000	42,584
Repayments of borrowings	(515)	(48,372)
Net cash flows from financing activities	(17,331)	(12,148)
Net increase in cash and cash equivalents	33,048	(8,788)
Cash and cash equivalents at beginning of year	22,888	31,676
Cash and cash equivalents at end of year	55,936	22,888

Linc-Cymru Housing Association Limited
Consolidated Statement of Cash Flows
for the year ended 31st March 2024 (continued)

Free cash flow for the year ended 31st March 2024

	March 2024 £000	March 2023 £000
Net cash generated from operating activities	18,348	13,257
Interest paid	(7,154)	(6,360)
Interest received	1,094	216
Adjustments for reinvestment in existing properties		
Works to existing properties	(4,337)	(3,138)
Purchase of other replacement fixed assets	0	0
Component replacement grant received	0	0
Free cash generated before loan repayments	7,951	3,975
Loans repaid	(515)	(48,372)
Free cash generated after loan repayments	(7,436)	(44,397)



Linc-Cymru Housing Association Limited

Notes to the Financial Statements

for the year ended 31st March 2024

1. Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. The financial statements have been prepared under the accruals basis except for the statement of cashflows. Linc is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

The preparation of the financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying Linc's accounting policies (see page 26).

The 2018 SORP is more descriptive in the items included within operating surplus and therefore Linc has reflected this within the financial statements.

Going Concern

Linc's activities, together with the factors likely to affect its future development, its financial position, risk management, details of its financial instruments, and its exposure to credit, liquidity and cash flow risk are detailed in this Annual Report.

The financial statements have been prepared on a going concern basis. The Board has reviewed cashflow forecasts and other financial projections. The Group's forecasts and projections, taking account of reasonably possible changes in the operating performance show that the Group will be able to operate within the level of its facilities and their associated covenants for a forecast period of at least 12 months from the approval date of these financial statements.

Linc has considerable financial resources and, as a consequence, the Board believes that Linc is well placed to manage its business risks successfully despite current uncertainties in the social housing sector including the impact of increases in inflation and interest rates.

After making enquiries, the Board has a reasonable expectation that Linc has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board has concluded that it can continue to adopt the going concern basis in preparing the financial statements.

b) Basis of Consolidation

Linc's financial statements consolidate the financial statements of Linc and its subsidiary undertaking Tarbed Limited drawn up to 31st March each year.

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

c) Property, Plant and Equipment - Housing Properties

Housing properties are stated at cost less depreciation less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs and borrowing costs directly attributable to the construction of new housing properties during the development. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

When Linc purchases a new property as part of a section 106 agreement between the Local Authority and a developer the amount capitalised to fixed assets is the purchase price paid for the property. The purchase price is normally a discounted price which reflects the position that Linc does not normally receive grant towards the cost of acquiring a property under a section 106 agreement. Depreciation is charged on the purchase price paid for the property. Whilst the price paid is discounted from an open market valuation it is deemed to be the market value for social housing and therefore fair value for accounting purposes.

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

Major Components

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

Housing Properties	Structure	150 years
	Roofs	60 & 75 years
	Windows and doors	35 years
	Bathrooms	30 years
	Boilers and heating systems	15 & 20 years
	Kitchens	15 years
	Lifts	15 years
	Sprinkler systems	25 years
	PV systems	25 years
	Electrical Installations	25 years
Care Properties	Structure	50 years
	Roofs	50 years
	Windows and doors	35 years
	Bathrooms	30 years
	Boilers and heating systems	15 & 20 years
	Kitchens	15 & 20 years
	Lifts	15 years
	Sprinkler systems	25 years
	PV systems	25 years
	Electrical Installations	25 years

Linc-Cymru Housing Association Limited

Notes to the Financial Statements

for the year ended 31st March 2024 (continued)

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

Improvements

These are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in surplus or deficit in the Statement of Comprehensive Income.

Leaseholders

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

d) Shared Ownership Properties

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first time tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover, and the remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

e) Non-Housing Property, Plant and Equipment

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

Freehold offices	25 years
Office improvements	5 years
Office Furniture and Equipment	3 to 10 years
Computer Equipment	4 to 5 years

f) Investment Properties

The classification of properties as investment property or property plant and equipment is based upon the intended use of the property. Properties held to earn market rentals or for capital appreciation or both are classed as investment properties. Properties that are used for administrative purposes or that are held for the provision of social housing are treated as property plant and equipment.

Investment properties are measured at fair value annually with any change recognised in surplus or deficit in the statement of comprehensive income.

Investment properties were valued as at 31st March 2024. Linc's investment properties have been valued by Savills (UK) Limited, Chartered Surveyors, professional external valuers. The valuation report was prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2022 together, where applicable, with the UK National Supplement effective 14 January 2019, together the "Red Book". Savills have also had specific regard to the requirements of UK VPGA 7 Valuation of registered social housing providers' assets for financial statements.

Linc-Cymru Housing Association Limited

Notes to the Financial Statements

for the year ended 31st March 2024 (continued)

In arriving at current market value:

For Cwrt Pen y Bryn properties in Cardiff a net yield of 7.00% on Savills opinion of an achievable net operating income of £646,000 pa, this being Savills opinion of the net Market Rent of £861,600 pa (assuming operating costs of 25%).

For the remaining 16 properties Savills have primarily had regard to capital values based on comparables and then applied target gross reversionary yields of 6.5% based on their opinion of Market Rent which reflects a range of discounts of 3% - 14% from the vacant possession values, and an average blended discount of 6.3%.

The Board has used the independent expert's report to determine the fair value of the investment property as at the year end.

g) Homebuy Loans Receivable

The loan to the purchaser of a property purchased under the Homebuy initiative or LCHO scheme is treated as a fixed asset investment. Linc retains equity shares in homes purchased under the Homebuy and LCHO schemes.

In accordance with FRS 102 these are treated as concessionary loans.

Where a property has been acquired by Linc at below market value (e.g., through a section 106 agreement), the difference between cost and market value at the point of purchase is deemed as grant. The investment in Homebuy and LCHO is held on the Statement of Financial Position at cost (the initial value of Linc's equity share).

On sale of the property Linc will receive a proportion of the sale proceeds equal to Linc's (percentage) equity share in the property. Grant received on Homebuy and LCHO schemes is recyclable on sale of these properties.

h) Impairment of Social Housing Properties

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

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

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

Linc-Cymru Housing Association Limited

Notes to the Financial Statements

for the year ended 31st March 2024 (continued)

i) Social Housing Grant and Housing Finance Grant

All government grants initially appear as creditors in the Statement of Financial Position at the fair value of the sum receivable. Grants are amortised on a straight line basis over the life of the asset whose purchase they support, unless they are received in respect of the provision of properties under the Homebuy or Low Cost Home Ownership schemes, in which case grants are only taken to the Statement of Comprehensive Income at the point the loan is redeemed.

Social Housing Grant

Social Housing Grant (SHG) is receivable from the Welsh Government. SHG is received in full when a property is developed or acquired.

Housing Finance Grant

Housing Finance Grant (HFG) is paid by the Welsh Government towards the costs of housing assets over a period of 30 years to subsidise the capital and interest costs for the provision of affordable housing. 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.

Recycled Grant

The capital grant element of SHG and HFG previously received is deemed to be repayable upon disposal of a related housing asset. This is treated as Recycled Capital Grant in the Recycled Capital Grant Fund and included in the Statement of Financial Position as a creditor.

Where land or buildings are acquired at below market value e.g. as part of a s106 agreement, the carrying value reflects the fair value of the asset received, with the subsidy implicit in the arrangement deemed as grant and added to the grant creditor.

j) Adaptations Grants

Adaptation Grants are paid by the Welsh Government towards the cost of adaptation works for disabled individuals. The grants are expensed to revenue in the same year as the adaptation costs are incurred. The expenditure on adaptations is essentially adapting the room/property for individuals with disabilities and is not actually improving or enhancing the property or the property's value.

k) Home Ownership Grants

Linc is responsible for monitoring Home Ownership Grants. Under these grants the Welsh Government advanced 30% of the value of our cost of a property to a purchaser introduced by Linc. The advance is secured by a charge on the property in Linc's name with a sub-charge in the name of the Welsh Government. Linc is responsible for ensuring that at the time of sale 30% of the sales proceeds or the grant (whichever is lower) is returned to the Welsh Government.

Linc-Cymru Housing Association Limited

Notes to the Financial Statements

for the year ended 31st March 2024 (continued)

l) Investment in Subsidiary

These financial statements are for Linc and its subsidiary Tarbed Limited. Copies of the financial statements of Tarbed Limited, Linc's 100% owned and only subsidiary are available from Tarbed's Company Secretary.

m) Housing and Other Loans are Classified as Basic Financial Instruments

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

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest bearing loans are stated at amortised cost using the effective interest method, less any impairment losses.

Loans received from Government sources with interest below market rate are treated as concessionary loans.

n) Designated Reserve for Future Repairs and Maintenance to Special Needs Properties

A designated reserve has been established to recognise the cost of future maintenance being Linc's liability to maintain these properties in accordance with the agreement between Linc and the managing agents.

o) Designated Reserve for Replacement of Service Equipment

A designated reserve has been established to recognise funds received from tenants as part of the service charge for equipment provided.

p) Cash and Cash Equivalents

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

q) Turnover

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) and fee income from nursing homes. Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

r) Sales of Housing Properties

The surplus or deficit on the sales of all types of property is included within the Statement of Comprehensive Income in the year of disposal. When the owners of shared ownership properties exercise the right to increase the equity proportion in their property, the surplus or deficit is calculated on the proportion of the property.

Linc-Cymru Housing Association Limited

Notes to the Financial Statements

for the year ended 31st March 2024 (continued)

s) Revenue Grants

Revenue grants are credited to income over the financial years to which the grant relates.

t) Repairs to Existing Housing Properties

Repairs and maintenance expenditure to existing housing properties is charged to the Statement of Comprehensive Income in the year in which the repairs are undertaken. This includes day to day repairs, cyclical repairs and those planned maintenance works which are not capitalised to the Statement of Financial Position.

Planned maintenance expenditure incurred on the replacement or enhancement of seven specific categories of components is capitalised to the Statement of Financial Position in the year in which the expenditure is incurred.

u) Apportionment of Administration Costs

Direct administration and operating costs have been charged to the relevant sections of the Statement of Comprehensive Income on the basis of actual expenditure. Indirect management, finance and administration costs are further apportioned to Linc's specific activities on the basis of the number of units in management.

v) Pension Costs

Linc operates a defined contribution pension scheme for staff. The assets of the scheme are held separately from those of Linc in independently administered funds. The retirement benefits to employees of Linc are funded by contributions from Linc and employees. Payments are made to a money purchase scheme operated by L&G Plc. The costs are expensed as paid.

Linc also provides a pension scheme to comply with the UK Government's auto enrolment pension legislation. Auto enrolment requires all employers to enrol their employees into a qualifying workplace pension scheme if they are not already in one. The Linc auto enrolment scheme is open to all employees who are not eligible to join the L&G Plc pension scheme. All pension payments under Linc's auto enrolment scheme are paid into NEST, a pension scheme set up and operated by the UK Government.

w) Leased Assets

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

Finance Leased Assets

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

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

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

Linc-Cymru Housing Association Limited

Notes to the Financial Statements

for the year ended 31st March 2024 (continued)

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

Operating Leased Assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

x) Interest Payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition.

Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

y) VAT

The majority of Linc's rental and fee income is exempt from VAT. No VAT is charged on tenants' rents nor on nursing home fees. Linc has commercial tenants that rent office accommodation and VAT at the standard rate – currently 20% is levied on the rental income. Due to the exempt nature of the rental income, Linc is only able to recover very small amounts of input VAT.

z) Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model.

Basic financial instruments are recognised at amortised historical cost.

aa) Business Combination: Linc-Cymru Housing Association Limited and Abbeyfield Llanrwst and District Society Limited

The 2022/23 Transfer of Engagements is a business combination that is in substance a gift in line with the SORP 2018. A combination that is in substance a gift is defined as "a combination carried out at nil or nominal consideration that is not a fair value exchange but in substance the gift of one entity to another."

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

2. (a) Particulars of turnover, operating expenditure and operating surplus

Group

		March 2024				March 2023			
	Notes	Turnover £000	Other Income £000	Operating Expenditure £000	Operating Surplus £000	Turnover £000	Other Income £000	Operating Expenditure £000	Operating Surplus £000
Social housing lettings	2b	42,409	0	(34,850)	7,559	37,102	0	(31,280)	5,822
Other social housing activities	3								
Gain on disposal of property, plant and equipment		0	494	0	494	0	(166)	0	(166)
Gain on transfer of undertakings		0	0	0	0	0	172	0	172
Other		0	0	0	0	0	0	0	0
Sub total non-social housing activities		42,409	494	(34,850)	8,053	37,102	6	(31,280)	5,828
Non-social housing activities									
Registered nursing homes		13,948	0	(15,049)	(1,101)	11,987	0	(11,635)	352
Lettings		839	0	(291)	548	749	0	(279)	470
Other		510	0	(788)	(278)	719	0	(797)	(78)
Sub total non-social housing activities		15,297	0	(16,128)	(831)	13,455	0	(12,711)	744
Total		57,706	494	(50,978)	7,222	50,557	6	(43,991)	6,572

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

2. (a) (continued) Particulars of turnover, operating expenditure and operating surplus

Association

		March 2024				March 2023			
	Notes	Turnover £000	Other Income £000	Operating Expenditure £000	Operating Surplus £000	Turnover £000	Other Income £000	Operating Expenditure £000	Operating Surplus £000
Social housing lettings	2b	42,409	0	(34,863)	7,546	37,102	0	(31,293)	5,809
Other social housing activities	3								
Gain on disposal of property, plant and equipment		0	494	0	494	0	(166)	0	(166)
Gain on transfer of undertakings		0	0	0	0	0	172	0	172
Other - Gift aid from subsidiary		0	22	0	22	0	42	0	42
Sub total non-social housing activities		42,409	516	(34,863)	8,062	37,102	48	(31,293)	5,857
Non-social housing activities									
Registered nursing homes		13,948	0	(15,050)	(1,102)	11,987	0	(11,636)	351
Lettings		839	0	(291)	548	749	0	(279)	470
Other		510	0	(773)	(263)	719	0	(786)	(67)
Sub total non-social housing activities		15,297	0	(16,114)	(817)	13,455	0	(12,701)	754
Total		57,706	516	(50,977)	7,245	50,557	48	(43,994)	6,611

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

2. (b) Particulars of turnover, operating expenditure and operating surplus from social housing lettings

Group

	March 2024				March 2023
	General needs housing £000	Supported housing and housing for older people £000	Low cost home ownership £000	Total £000	Total £000
Income					
Rent Receivable	20,432	7,828	265	28,525	26,236
Service Charge Income	1,004	9,266	0	10,270	7,824
Income for support services	27	41	0	68	342
Amortised government grants	862	1,261	0	2,123	2,076
Other revenue grants	1,274	149	0	1,423	613
National Lottery Community Fund	0	0	0	0	11
Turnover from social housing lettings	23,599	18,545	265	42,409	37,102
Expenditure					
Management costs	4,676	2,570	160	7,406	7,179
Service charge costs	1,116	8,368	0	9,484	7,645
Routine maintenance	5,939	1,468	0	7,407	7,927
Planned maintenance	4,213	766	0	4,979	3,308
Bad debts	107	92	0	199	0
Depreciation of housing properties	2,940	2,435	0	5,375	5,221
Impairment of housing properties	0	0	0	0	0
Other	0	0	0	0	0
Operating expenditure on social housing activities	18,991	15,699	160	34,850	31,280
Operating surplus on social housing lettings	4,608	2,846	105	7,559	5,822
Rent loss due to voids (memorandum note)	246	853	0	1,099	909

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

2. (b) (continued) Particulars of turnover, operating expenditure and operating surplus from social housing lettings

Association

	March 2024			March 2023	
	General needs housing £000	Supported housing and housing for older people £000	Low cost home ownership £000	Total £000	Total £000
Income					
Rent Receivable	20,432	7,828	265	28,525	26,236
Service Charge Income	1,004	9,266	0	10,270	7,824
Income for support services	27	41	0	68	342
Amortised government grants	862	1,261	0	2,123	2,076
Other revenue grants	1,274	149	0	1,423	613
National Lottery Community Fund	0	0	0	0	11
Turnover from social housing lettings	23,599	18,545	265	42,409	37,102
Expenditure					
Management costs	4,676	2,570	160	7,406	7,179
Service charge costs	1,116	8,368	0	9,484	7,645
Routine maintenance	5,939	1,468	0	7,407	7,927
Planned maintenance	4,213	766	0	4,979	3,308
Bad debts	107	92	0	199	0
Depreciation of housing properties	2,953	2,435	0	5,388	5,234
Impairment of housing properties	0	0	0	0	0
Other	0	0	0	0	0
Operating expenditure on social housing activities	19,004	15,699	160	34,863	31,293
Operating surplus on social housing lettings	4,595	2,846	105	7,546	5,809
Rent loss due to voids (memorandum note)	246	853	0	1,099	909

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

3. Other Income

	Group		Association	
	March 2024 £000	March 2023 £000	March 2024 £000	March 2023 £000
Surplus on the sale of housing properties	704	86	704	86
Loss on the disposal of plant and equipment	(210)	(252)	(210)	(252)
Gain on transfer of undertakings	0	172	0	172
Gift aid from subsidiary	0	0	22	42
	494	6	516	48

4. Interest Receivable

	Group		Association	
	March 2024 £000	March 2023 £000	March 2024 £000	March 2023 £000
Bank interest receivable	1,094	216	1,094	250
Other interest receivable	0	0	73	0
	1,094	216	1,167	250

5. Operating surplus

	Group		Association	
	March 2024 £000	March 2023 £000	March 2024 £000	March 2023 £000
The operating surplus is stated after charging:				
Depreciation on housing properties	5,756	5,613	5,785	5,627
Impairment of housing properties	2,306	0	2,306	0
Depreciation on non-housing assets	1,026	904	1,026	904
	9,088	6,517	9,117	6,531
Auditor remuneration:				
In their capacity as auditor	16	26	16	26
Non audit fees	0	0	0	0

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

6. Interest and financing costs

	Group		Association	
	March 2024 £000	March 2023 £000	March 2024 £000	March 2023 £000
On Housing Loans repayable in instalments	7,284	6,447	7,284	6,447
Bank charges	35	14	35	14
	7,319	6,641	7,319	6,461

7. Employee information

Group and Association	March 2024	March 2023
The average number of employees during the year was	738	757
The average number of full time equivalent employees during the year was	551	642

The average number of employees is calculated from employees paid. There are a number of employees retained on a contractual basis that work for the Association when required.

Group and Association	March 2024 £000	March 2023 £000
Staff costs (for the above persons):		
Wages and salaries	16,892	16,139
Social security costs	1,439	1,400
Pension costs (Note 9)	1,042	956
Redundancy payments	276	34
Redundancy pension payments	70	0
	19,719	18,529

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

8. Emoluments of officers and senior executives

Group and Association	March 2024	March 2023
	£000	£000
The emoluments exclude contributions to pension schemes:		
Remuneration of highest paid director	258	140
Aggregate remuneration of Senior Executives	412	340
Aggregate remuneration of Board Members	56	63
	726	543
Pension contributions paid on their behalf		
Chief Executive's pension contributions	35	33
Senior Executives' pension contributions	150	77
	185	110

Linc consider that the Key management personnel as defined under FRS102 are consistent with the officers and senior executives of the organisation. The Employer's National Insurance paid in the year in relation to the Key management personnel totals £73,828 (2023 £63,777).

The Remuneration of the highest paid director in 2024 includes a redundancy, notice and holiday pay payment of £133,134. The remuneration of the highest paid director in 2024 was the Executive Director Property and Commercial and in 2023 was the Chief Executive.

These are the emoluments excluding pension costs paid to officers and senior executives within the following ranges:

Group and Association	March 2024	March 2023
	No. of staff	No. of staff
Between £100,001 and £105,000	0	1
Between £115,001 and £120,000	0	2
Between £140,001 and £145,000	0	1
Between £155,001 and £160,000	1	0
Between £250,001 and £255,000	1	0
Between £255,001 and £260,000	1	0
	3	4

The Chief Executive is a member of the group personal pension defined contribution scheme. The Chief Executive receives an enhanced employer contribution compared to ordinary members. The association does not make any further contributions to an individual pension arrangement for the Chief Executive.

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

9. Pensions

The Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund. The pension charge represents contributions payable by the Association to the fund and amounted to £1,112,000 (2023: £956,000). The Association contributes to a money purchase pension for all eligible staff and no further disclosure in respect of that scheme is required under FRS 102.

10. Tangible fixed assets - housing properties

Group	Social Housing Properties £000	Shared Ownership £000	Nursing Homes £000	Non-Social Other £000	Properties Under Construction £000	Total £000
Cost						
At beginning of year	383,132	2,848	18,901	2,792	31,422	439,095
Schemes completed	12,793	0	0	0	(12,793)	0
Additions	1,816	0	0	0	15,482	17,298
Works to existing properties	4,337	0	0	0	0	4,337
Disposals	(1,666)	0	(8)	(7)	0	(1,681)
At 31st March 2024	400,412	2,848	18,893	2,785	34,111	459,049
Depreciation & Impairment						
At beginning of year	58,756	319	3,659	599	878	64,211
Schemes completed	547	0	0	0	(547)	0
Impairment	0	0	2,306	0	0	2,306
Charge for the year	5,362	12	360	37	0	5,771
Disposals	(1,034)	0	(3)	(4)	0	(1,041)
At 31st March 2024	63,631	331	6,322	632	331	71,247
Net Book Value						
At 31st March 2024	336,781	2,517	12,571	2,153	32,780	387,802
At beginning of year	324,376	2,529	15,242	2,193	30,544	374,884

					March 2024 £000	March 2023 £000
Housing properties comprise:						
Freeholds					344,962	331,187
Leaseholds					42,840	43,697
					387,802	374,884

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

10. (continued) Tangible fixed assets - housing properties

Association	Social Housing Properties	Shared Ownership	Nursing Homes	Non-Social Other	Properties Under Construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At beginning of year	384,027	2,848	18,950	2,792	31,626	440,243
Schemes completed	12,884	0	0	0	(12,884)	0
Additions	1,816	0	0	0	15,592	17,408
Works to existing properties	4,337	0	0	0	0	4,337
Disposals	(1,666)	0	(8)	(7)	0	(1,681)
At 31st March 2024	401,398	2,848	18,942	2,785	34,334	460,307
Depreciation & Impairment						
At beginning of year	58,806	319	3,668	599	878	64,270
Schemes completed	547	0	0	0	(547)	0
Impairment	0	0	2,306	0	0	2,306
Charge for the year	5,376	12	361	36	0	5,785
Disposals	(1,034)	0	(3)	(4)	0	(1,041)
At 31st March 2024	63,695	331	6,332	631	331	71,320
Net Book Value						
At 31st March 2024	337,703	2,517	12,610	2,154	34,003	388,987
At beginning of year	325,221	2,529	15,282	2,193	30,748	375,973

	March 2024	March 2023
	£000	£000
Housing properties comprise		
Freeholds	346,048	332,177
Leaseholds	42,939	43,796
	388,987	375,973

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

10. (continued) Tangible fixed assets - housing properties

	March	March
	2024	2023
	£000	£000
Expenditure on works to existing properties:		
Components capitalised	4,337	3,138
Amounts charged to income and expenditure	13,187	12,241
	17,524	15,279
	March	March
	2024	2023
	£000	£000
Social housing assistance		
Total accumulated social housing grant received or receivable at 31st March:		
Capital Grant	23,665	12,662
Revenue Grant	1,423	624
	25,088	13,286

Finance costs:

Linc-Cymru Housing Association does not capitalise finance costs within the cost of its housing properties.

Impairment:

Linc-Cymru Housing Association considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment, in accordance with the requirements of Financial Reporting Standard 102 and SORP 2018.

During the year to 31st March 2024 Linc-Cymru Housing Association has assessed that there is an impairment of £2,305,725 (2023 £NIL) to recognise in relation to a a Nursing Home that will be subject to future sale, there is no impairment (2023 £NIL) to recognise in relation to land holdings.

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

11. Fixed assets - other

Group and Association

Cost	Office premises £000	Furniture and equipment £000	Computer equipment £000	Motor Vehicles £000	Computer Software £000	March 2024 £000
At beginning of year	2,807	7,123	1,201	80	933	12,204
Additions	22	612	13	0	38	685
Disposals	(14)	(159)	(2)	(10)	0	(185)
At 31st March 2024	2,815	7,576	1,212	70	1,031	12,704
Depreciation						
At beginning of year	2,152	4,577	893	80	334	8,036
Charge for the year	121	665	119	0	121	1,026
Disposals	(14)	(148)	(2)	(10)	0	(174)
At 31st March 2024	2,259	5,094	1,010	70	455	8,888
Net Book Value						
At 31st March 2024	556	2,482	202	0	576	3,816
At beginning of year	655	2,546	308	0	659	4,168

Office Premises	4% - 10% per annum on cost
Office Improvements	20% per annum on cost
Computer Equipment	20% - 25% per annum on cost
Furniture and Equipment	10% - 33% per annum on cost
Motor Vehicles	25% per annum on cost
Computer Software	20% - 25% per annum on cost

12. Investment properties non-social housing properties held for letting

	March 2024 £000	March 2023 £000
At beginning of the year	12,465	12,465
Additions	0	0
Disposals	0	0
Increase in value	(905)	330
At 31st March 2023	11,560	12,795

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

13. Homebuy loans receivable

	March 2024 £000	March 2023 £000
At beginning of the year	403	403
New loans issued	0	0
Interest receivable	0	0
Loans repaid	(70)	0
Loans provided against	0	0
At 31st March 2024	333	403

14. Investment

Subsidiary undertakings

Company Name	Country	Class of shares	Percentage Shareholding
Tarbed Limited	UK	Ordinary	100%

	Investments in subsidiary companies
Company	£
Cost or valuation at 1st April 2023 and 31st March 2024	1
Net book value at 31st March 2024	1
Net book value at 31st March 2023	1

Description

The principal activity of the company during the period was the provision of design and build services for Linc-Cymru Housing Association Limited.

15. Operating leases in relation to assets other than land and buildings are set out below

At the 31st March 2024 total commitments under operating lease payments amounted to £63,971 (31st March 2023: £77,755). The leases to which these relate expire as follows:

Group and Association	March 2024 £000	March 2023 £000
Operating leases which expire:		
Within 1 year	11	19
Within 1 to 2 years	53	4
Within 2 to 5 years	0	55
At 31st March 2024	64	78

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

16. Trade and other debtors

	Group March 2024 £000	Group March 2023 £000	Association March 2024 £000	Association March 2023 £000
Arrears of rent and service charges	2,805	2,775	2,805	2,775
Less: Provision for bad and doubtful debts	(989)	(945)	(989)	(945)
	1,816	1,830	1,816	1,830
Other grants and loans receivable	188	186	188	186
Cash in transit	780	678	780	678
Insurance prepayment	562	350	562	350
Sales ledger	1,591	1,483	1,591	1,483
Amounts owed by group companies	0	0	1,244	969
Housing Finance Grant	5,755	5,916	5,755	5,916
Social Housing Grant in transit	5,548	0	5,548	0
Other debtors and prepayments	1,568	1,675	575	888
	17,808	12,118	18,059	12,300

Housing Finance Grant is an award of funding by the Welsh Government to assist with the delivery of affordable housing. The funding will be payable over 30 years, the first instalment was received in September 2014.

17. Cash and cash equivalents

	Group March 2024 £000	Group March 2023 £000	Association March 2024 £000	Association March 2023 £000
Cash at bank and in hand	55,936	22,888	55,828	22,850
Bank Overdraft	0	0	0	0
	55,936	22,888	55,828	22,850

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

18. Creditors: amounts falling due within one year

	Group	Group	Association	Association
	March	March	March	March
	2024	2023	2024	2023
	£000	£000	£000	£000
Bank Overdraft	0	0	0	0
Prepayments of rents and service charges	1,843	1,555	1,843	1,555
Housing loan principal instalments	3,080	592	3,080	592
Housing loan interest instalments	1,630	1,465	1,630	1,465
PAYE/National Insurance	366	333	366	333
Pension	133	109	133	109
Due to Customs and Excise - VAT	44	18	44	18
Income in advance	12	273	12	273
Cyclical maintenance	42	115	42	119
Payments to contractors	1,829	31	1,678	183
Planned repairs	729	54	729	454
Reactive maintenance	405	426	405	443
Service charge costs	596	299	596	402
National Lottery Community Fund	0	13	0	13
Purchase ledger	873	613	873	613
Amounts owed to group companies	0	0	1,645	1,181
Other creditors and accruals	6,336	5,482	4,993	3,777
	17,918	11,378	18,069	11,530

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

19. Creditors: amounts falling due after more than one year

Group and Association

	March 2024 £000	March 2023 £000
Housing loans	177,289	155,292
Social Housing Grant (note 21)	218,409	197,006
Home Ownership Grants (note 22)	0	0
Recycled capital grant fund (note 23)	4,772	4,475
Disposal proceeds fund (note 24)	319	319
	400,789	357,092

	March 2024 £000	March 2023 £000
Housing loans are secured by fixed charges on housing properties and are repayable in instalments as follows:		
One year or less	3,080	592
Between one and two years	2,173	3,019
Between two and five years	10,876	11,404
In five years or more	164,240	140,869
	180,369	155,884

The interest rates are fixed at between 3.74% and 12.19% or vary with the market rate. The loans are repayable in the years 2024 to 2054. Housing loans includes concessionary interest free loans totalling £12,880,080 (2023 £7,880,090) that were received from the Welsh Government under the land for housing loan scheme, decarbonisation works loan and affordable housing development loan. The land for housing loans are repayable at the earliest of practical completion of the last property developed, or the fifth anniversary of the land purchase. The decarbonisation loan is repayable in 2046 and the affordable housing development loan is repayable in 2025.

20. Commitments under finance leases

The Association did not have any commitments under finance leases at 31st March 2024 or at 31st March 2023.

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

21. Deferred income - social housing grants

Group and Association

	Social Housing Properties £000	Shared Ownership £000	Properties Under Construction £000	Total £000
Cost				
At beginning of year	195,364	1,847	33,596	230,807
Schemes completed	7,021	0	(7,021)	0
Additions	113	0	23,552	23,665
Disposals	(251)	0	0	(251)
At 31st March 2024	202,247	1,847	50,127	254,221

Amortisation				
At beginning of year	33,459	342	0	33,801
Charge for the year	2,113	12	0	2,125
Disposals	(114)	0	0	(114)
At 31st March 2024	35,458	354	0	35,812

Net book value				
At 31st March 2024	166,789	1,493	50,127	218,409
At beginning of year	161,905	1,505	33,596	197,006

The grants are amortised as follows:

		March 2024 £000	March 2023 £000
Amounts falling due:			
One year or less		2,125	2,076
Between one and two years		2,125	2,076
Between two and five years		8,500	8,304
In five years or more		205,659	184,550
		218,409	197,006

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

22. Deferred income - home buy grants

Group and Association	March 2024 £000	March 2023 £000
At beginning of year	0	0
Grants received in the year	0	0
Disposals	0	0
At 31st March 2024	0	0

Linc-Cymru Housing Association Limited is responsible for monitoring Home Ownership Grants. Under these grants the Welsh Government advanced 30% of the value of our cost of a property to a purchaser introduced by the Association. The advance is secured by a charge on the property in the Association's name with a sub-charge in the name of the Welsh Government.

The Association is responsible for ensuring that at the time of sale 30% of the sales proceeds or the grant (whichever is the lower) is returned to the Welsh Government. As at 31st March 2024 the value of these grants amounted to £NIL (31st March 2023: £NIL).

23. Recycled capital grant fund

Group and Association	March 2024 £000	March 2023 £000
At beginning of year	4,475	4,557
Transfer in - Abbeyfield Wales Society	0	(180)
Grants recycled	297	98
Withdrawals	0	0
At 31st March 2024	4,772	4,475

Withdrawals from the recycled capital grant fund are used for the purchase and development of new housing schemes for letting.

24. Disposal proceeds fund

Group and Association	March 2024 £000	March 2023 £000
At beginning of year	319	319
Grants recycled	0	0
Withdrawals	0	0
At 31st March 2024	319	319

Withdrawals from the disposals proceeds fund are used for the purchase and development of new housing schemes for letting.

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

25. Financial instruments

Linc-Cymru Housing Association Limited has assessed financial instruments utilised in the year which include debtors, creditors, grants and loan instruments. All such financial instruments have been classed as basic with no fair value adjustment applied.

	Group March 2024 £000	Group March 2023 £000	Association March 2024 £000	Association March 2023 £000
Financial assets measured at amortised cost comprise of the debtors as detailed in Note 16 (excluding prepayments), cash and home buy loans (Note 13)	73,515	35,058	73,658	35,202
Financial liabilities measured at amortised cost comprise creditors included in Notes 18 and 19 (excluding VAT, PAYE, NI and income in advance)	416,441	366,291	416,592	366,443

26. Share capital

Group and Association

	March 2024 £000	March 2023 £000
Shares of £1 each fully paid		
At beginning of year	28	28
Issued during the period for cash	0	0
Cancelled during the period	(3)	0
At 31st March 2024	25	28

The shares provide members with the right to vote at General Meetings, but do not provide any rights to dividends or to distributions on winding-up.

27. Capital funding and commitments

Group and Association

	March 2024 £000	March 2023 £000
Expenditure contracted for but not provided in the accounts	75,580	22,947
Expenditure authorised by the Board, but not contracted	90,412	128,909
	165,992	151,856

The above commitments will be financed through available funds, Social Housing Grant and Housing Finance Grant, existing and future borrowings.

Linc-Cymru Housing Association Limited
Notes to the Financial Statements
for the year ended 31st March 2024 (continued)

28. Properties in management

Group and Association

	March 2024 Units	Movement Units	March 2023 Units
Social housing			
General Needs	3,110	(36)	3,146
Extra Care	491	2	489
Sheltered	497	32	465
Supported	407	72	335
Intermediate Rent	402	17	385
Shared Ownership	126	(3)	129
Home Buy Option	76	(4)	80
Sub-Total Social Housing	5,109	80	5,029
Non-social housing			
Care Home	208	1	207
Market Rent	86	0	86
Retail	9	0	9
Total in management	5,412	81	5,331

29. Establishment of the Association

Linc-Cymru Housing Association Limited is a Registered Society under the Co-operative and Community Benefit Societies Act 2014. The Association is also registered with The Welsh Government as a Registered Social Landlord.

30. Related party transactions

In accordance with the exemptions offered by the Financial Reporting Standard 102 - Related Party Transactions, the Association has not disclosed within these financial statements any transactions with entities that are wholly owned subsidiaries of Linc-Cymru Housing Association Limited.

Board Members

Other than the subsidiary undertakings and the item disclosed in note 33 the Board is not aware of any transactions with related parties, which need to be disclosed in the financial statements.

Analysis of Subsidiary undertakings

Linc has one directly owned 100% subsidiary undertaking, Tarbed Limited (Registered number: 06995481).

During the year, Linc charged Tarbed £710,915 (2023: £448,722) in respect of administration, project management services and community benefit contributions. At the year end £79,086 (2023: £93,451) was outstanding. Linc was due £21,958 (2023: £41,519) in respect of Gift Aid at the year end.

During the year, Tarbed generated turnover in respect of construction management services under design and build contracts on behalf of Linc of £11,406,266 (2023: £9,115,246). At the year end £1,645,354 (2023: £1,181,270) was due from Linc to Tarbed in relation to these contracts.

Linc-Cymru Housing Association Limited

Notes to the Financial Statements

for the year ended 31st March 2024 (continued)

30. (continued) Related party transactions

Linc has made a loan of £1,200,000 (2023: £800,000) to Tarbed to provide working capital in relation to its design and build contracts. The loan is based on commercial terms with interest charged at 2% above the Bank of England Base Rate.

As referenced in note 33, 'Post balance sheet events', Linc merged with Pobl Group Limited on the 1st April 2024. Therefore, the transactions with Pobl Group Limited have been included as related party transactions. During the year, Linc charged Pobl £157,000 (2023: £152,000) in respect of property rental. At the year end £24,000 (2023:£8,000) was outstanding.

31. Contingent liabilities

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

A high level of uncertainty remains because the interpretation of the requirements under the Act and Regulations needs clarification which will only be possible following determination of the proceedings that are currently before the High Court, hence any financial effect cannot currently be measured with sufficient reliability at this time.

32. Analysis of changes in net debt

Group	March		Fair Value	Other Non-	March
	2023	Cash Flows	Movements	Cash	
	£000	£000	£000	Movements	2024
				£000	£000
Cash	2,461	2,895	0	0	5,356
Money markets deposits, at call and notice	20,427	30,153	0	0	50,580
	22,888	33,048	0	0	55,936
Loans due within one year	(592)	515	0	(3,003)	(3,080)
Loans due greater than one year	(155,292)	(25,000)	0	3,003	(177,289)
Total	(132,996)	8,563	0	0	(124,433)

33. Post balance sheet event

On the 1st April 2024, Linc-Cymru Housing Association Limited merged with the Pobl Group becoming a 100% owned subsidiary of Pobl Group Limited (registration number 29682R). The merger was approved on 19th October 2023 by Linc's shareholders following the relevant consents from funders and the Regulator.



Creating the right environment for people to flourish