



REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2024

MELIN HOMES LIMITED

CONTENTS	Page
Office and Professional Advisors	2
Vision, Values and Strategy	3
Chair's Statement	4 - 5
Report on Housing Association Governance	6 - 7
Report of the Board	8 - 12
Independent Auditors' Report to members	13 - 16
Consolidated Statement of Comprehensive Income	17
Consolidated Statement of Changes in Reserves	18
Consolidated Statement of Financial Position	19
Statement of Consolidated Cash Flow	20-21
Notes to the Financial Statements	22 – 43

MELIN HOMES LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

For the year ended 31 March 2024

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

Chair M Reed (appointed 20th Sept 2023)

Vice Chair A Hearn (appointed 20th Sept 2023)

Other Members:

W Bowler	S Tipping
C Jones (resigned 14 th Nov)	J Jackson
L Howells	A Hearn
P Crockett	B Thompson
P Kennedy	S Salisu
N Gardner (deceased Dec)	N Thomas
J Thomas	C Marshall appointed 21 st Aug 2023

Company Secretary: T Broadhead

Management Team:

- P Kennedy (Chief Executive)
- P Crockett (Deputy Chief Executive)
- J Kirrane (Executive Director of People, Homes & Communities)
- A Huckin (Executive Director of Innovation, Culture & Improvement)

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

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

Statutory Auditors: Haines Watts Wales LLP
7 Neptune Court
Vanguard Way, Cardiff CF24 5PJ

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

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

MELIN HOMES LIMITED

VISION, VALUES AND STRATEGY

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

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

Why do we exist

We exist to create opportunities for people and communities to thrive

How do we behave?

Together we can...

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

What we do:

The Melin SMaC Recipe:

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

Corporate Strategy

The Association's corporate strategy is set out in a separate document which is reviewed annually. The strategy outlines the direction of travel for Melin Homes, whilst recognising the landscape and operating environment in which we work will continue to change. We continue to be a social landlord at heart, delivering affordable housing and related services to a wide range of people in need.

MELIN HOMES LIMITED

CHAIR'S STATEMENT

Firstly, I would like to thank my predecessor for the fantastic support she has provided to business over the last four years during probably some of the most challenging times in the organisation's history. I would also like to thank Julie personally for the support given to me since joining the Board and during the handover process.

As most years in the recent past this has again been a challenging time for the business and housing in general.

The pressure brought by rising costs, new legislation and our recent announcement of the proposed merger all have the potential to impact on our ability to deliver new homes and continuing to provide safe affordable housing to our existing tenants.

Thanks to the continuing dedication of our staff we delivered 99 new homes, have 212 in the pipeline for the coming year, invested £12.5m in our existing homes, provided £1.7m of support to our tenants and helped 52 people into employment.

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

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

The financial year started with the introduction of the new contracts required across over 4000 homes as a result of The Renting Homes Wales Act introduced in December 2022. The global economic situation brought pressure on our tenants, suppliers and staff and we did see some of our contractors go out of business. However, due to extensive monitoring and planning our house building programme was not adversely affected and Candleston continued to build and sell homes.

The Renting Homes Act also introduced a requirement to provide all tenants with Electrical Installation Condition Reports (EICR). The consequences of non-compliance could result in the non-payment of rent. I am pleased to report that we have complied with the Act.

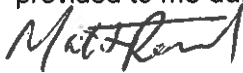
Candleston delivered 12 LCHO and 5 social rented homes with a further 20 being delivered in Phase 3 at Grove Farm and commenced work on the first phase at our development in Portskewett to deliver 5 affordable homes to Melin by the end of FY2025, plus a further 21 homes in Phase 2.

A key risk to the business was the LGPS defined benefit pension scheme with potential big swings in the valuation each year end. During the year the scheme was exited and provided funds to reinvest in the estate. All staff successfully transitioned to a new pension scheme and it is credit to the team and all the staff that this was handled in a very professional way.

The proposed merger is creating uncertainty amongst staff and tenants and everything is being done to ensure that business continues as usual. This is being achieved by keeping everyone informed through good communication and the excellent professionalism shown by all staff.

I would personally like to thank all of the staff at Melin as they continue to make Melin a successful housing association by providing the highest level of customer service, innovation and desire to make our tenants lives and communities the best they can.

I would also like my Board colleagues and the leadership team for they support they have provided to me during the year.

A handwritten signature in black ink, appearing to read 'M Reed', written in a cursive style.

M Reed
Chair

MELIN HOMES LIMITED

REPORT ON HOUSING ASSOCIATION GOVERNANCE

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

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

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

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

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

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

MELIN HOMES LIMITED

REPORT ON HOUSING ASSOCIATION GOVERNANCE (continued)

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

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

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

MELIN HOMES LIMITED

REPORT OF THE BOARD

The Board presents its report for the year ended 31 March 2024.

The Group

The Group is a not-for-profit organisation administered by a voluntary Board of Management. The Group is zoned to operate throughout Blaenau Gwent, Monmouthshire, Newport, Powys and Torfaen and operates from two offices based in Pontypool. The Group operates and provides 4,735 units of accommodation. It has housing properties which have a NBV of £342 million. It employs 226 people of whom 152 provide housing related services.

Principal Activities

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

Board Members and Senior Officers

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

Employees

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

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

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

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

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

Health and Safety

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

MELIN HOMES LIMITED

REPORT OF THE BOARD (continued)

Officers' Insurance

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

Performance for the Year

The Group achieved a surplus for the year of £974k compared to last year's surplus of £10,352k.

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

- Rent arrears remained low during the year and stood at 1.65% in March 2024;
- Former tenant arrears remained low in March 2024 at 0.45%;
- Voids losses stood at 1.26% at March 2024,
- Gas compliancy stood at 99.86% at March 2024;
- Average satisfaction with reactive repairs stood at 95.42% in March 2024;
- Melin's effective cash management, together with low interest rates, generated savings of £227k in loan interest against the budgeted amount.

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

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

KPI	Target	21/22 Target	21/22 Actual	22/23 Actual	22/23 Target	23/24 Actual	23/24 Target	24/25 Target	25/26 Target
Social – Tenancy Sustainability	Number of tenancy failures as a % of the residential tenancies granted by Melin during the year	3%	0.28%	2%	3%	0.32%	3%	3%	3%
Environmental – Improving efficiency of current stock	Average SAP rating of existing housing properties with actual EPC's	77.99	78.28	78.31	78.16	78.41	78.41	78.66	78.91
Governance – Gender Pay Gap	Melin improves or maintains its Median Gender Pay Gap performance	+/-1%	0.21%	0.21%	+/-1%	0%	+/-1%	+/-1%	+/-1%

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

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

Future Developments

The Group is zoned to operate and provide new homes in Blaenau Gwent, Monmouthshire, Newport, Powys and Torfaen Council areas.

- Melin has an agreed five-year development plan, and during 2023/24 resources were allocated to start work on 91 new homes, as well as to purchase land for development.
- The Group will continue to seek new and innovative ways of providing new homes and improving service delivery and is pleased to be involving residents in this ongoing process.

Housing Properties

The Group spent £42 million on the acquisition and development of housing properties. This was financed primarily through Grants of £11 million and internal financing of £31 million was recovered in the form of loans.

Cash Flow and Liquidity

The net cash inflow during the year was £3,949k compared to an inflow of £4,241k in 2022/23. £20 million was drawn down during the year on our Barclays RCF, and £1m of our Santander loan was paid off.

MELIN HOMES LIMITED

REPORT OF THE BOARD (continued)

Capital Structure

Housing properties (£342 million) are financed by grants of £167 million (49%), loans of £131 million (38%) and cumulative internal funds of £44 million (13%).

Going Concern

After making enquiries the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

Risk

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

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

Below is the most significant strategic risk currently facing Melin, along with a summary of control measures in place to manage this risk:

- **Welfare Reform** – The Welfare Reform Act 2012 introduced a wide range of reforms to the benefits and tax credits system. So far, the impact upon Melin has been minimal, however we have continued to develop our systems and adapt our staff teams to be able to effectively manage the transition. We actively work with our residents to get them back into work and have a dedicated money advice team that aim to get more money back into our resident's pockets. We launched a 'we don't bite' campaign to encourage our residents to talk to us and consistently work with other local organisations in partnership to benefit our residents;

Statement of the Responsibilities of the Board for the Financial Statements

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

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

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

In so far as the Board is aware:

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

Annual General Meeting

The annual general meeting will be held on 18 September 2024 at the Melin Offices, Pontypool.

Auditors

A resolution to appoint Haines Watts Wales LLP will be proposed at the annual general meeting.

The report of the Board was approved on 17 July 2024 and signed on its behalf by:



Tom Broadhead
Company Secretary

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

Opinion

We have audited the financial statements of Melin Homes Limited (the 'Association') and its subsidiary (the Group) for the year ended 31 March 2023 which comprise the Consolidated Statement of comprehensive income, the Consolidated and Association on Statement of Changes in Reserves, the Consolidated and Association on Statement of Financial Position, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2023 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, schedule 1 to the Housing and Regeneration Act 2008 and The Accounting requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Emphasis of matter

As discussed in the basis of preparation paragraph in the accounting policies in note 2, the Association has prepared the financial statements on a going concern basis for the current year. Our opinion is not modified in this respect.

Other information

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

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

We have nothing to report in this regard.

Opinion on the matters prescribed under Housing Association Circular RSL 02/10 "Internal controls and reporting"

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

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

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities likely involve collusion, forgery, intentional misrepresentation, or the override of internal controls.

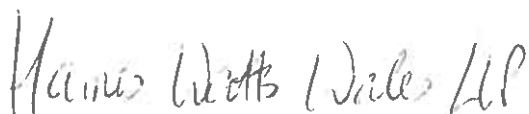
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Auditor's responsibilities in respect of the Housing for Wales Circular HFW 02/10 "Internal controls and reporting"

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

Use of Report

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



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

Date

18 July 2024

MELIN HOMES LIMITED

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2024

	Notes	GROUP		ASSOCIATION	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Turnover	3	37,462	35,976	28,467	28,328
Less: Operating costs	3	(29,842)	(29,086)	(21,832)	(22,125)
Operating surplus	6	7,620	6,890	6,635	6,203
Surplus/(Deficit) on sale of fixed assets		22	14	22	14
Interest receivable	7	315	364	315	364
Interest payable	8	(5,358)	(4,669)	(5,208)	(4,533)
Fair Value Movement on Investment Properties		-	20	-	20
Surplus before tax		2,599	2,619	1,764	2,068
Taxation	26	(236)	(19)	(28)	(11)
Surplus for the year after taxation		2,363	2,600	1,736	2,057
		2,363	2,600	1,736	2,057
Actuarial gain/(loss) on pension	21	(848)	7,752	(848)	7,752
Exceptional Items	29	(541)	0	(541)	0
Total comprehensive income		974	10,352	347	9,809

CONTINUING OPERATIONS

Care & Repair operations through Melin were discontinued on the 1st April 2023. The transfer of assets has been included in exceptional items. No activities were acquired in the year.

HISTORICAL COST

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

MELIN HOMES LIMITED

Consolidated Statement of Changes in Reserves For the year ended 31 March 2024

	GROUP	
	Revenue Reserve £'000	Total Reserves £'000
At 1 April 2023	32,772	32,772
Surplus from statement of comprehensive income	974	974
Actuarial movement	-	-
Transfers to reserves	-	-
Transfers (from) reserves	-	-
At 31 March 2024	<u>33,746</u>	<u>33,746</u>

	ASSOCIATION	
	Revenue Reserve £'000	Total Reserves £'000
At 1 April 2023	32,738	32,738
Surplus from statement of comprehensive income	347	347
Actuarial movement	-	-
Transfers to reserves	-	-
Transfers (from) reserves	-	-
At 31 March 2024	<u>33,085</u>	<u>33,085</u>

MELIN HOMES LIMITED

Consolidated Statement of Financial Position
As at 31 March 2024

	Notes	GROUP		ASSOCIATION	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Tangible fixed assets					
Housing properties - gross cost	10	396,237	368,154	388,886	361,181
- depreciation	10	(54,137)	(50,741)	(54,137)	(50,741)
		<u>342,100</u>	<u>317,413</u>	<u>334,749</u>	<u>310,440</u>
Long Term Investments	11	26,019	24,662	26,019	24,662
Other	12	2,879	3,116	2,879	3,116
Current assets					
Investments		113	113	113	113
Debtors: amounts falling due within one year	13a	5,312	6,662	11,420	13,316
Debtors: amounts falling due after more than one year	13b	10,448	10,670	10,448	10,670
Housing Properties Held for Sale	27	614	243	614	243
Cash at bank and in hand		11,765	7,816	11,586	6,935
		<u>28,252</u>	<u>25,504</u>	<u>34,181</u>	<u>31,277</u>
Current liabilities					
Creditors: amounts falling due within one year	14	(21,688)	(25,397)	(20,927)	(24,231)
Grants: amounts falling due within one year	17	(1,469)	(1,417)	(1,469)	(1,417)
		<u>(23,157)</u>	<u>(26,814)</u>	<u>(22,396)</u>	<u>(25,648)</u>
Net current assets		<u>5,095</u>	<u>(1,310)</u>	<u>11,785</u>	<u>5,629</u>
Total assets less current liabilities		<u>376,093</u>	<u>343,881</u>	<u>375,432</u>	<u>343,847</u>
Non-current liabilities					
Creditors: amounts falling due after more than one year	15	(176,332)	(158,467)	(176,332)	(158,467)
Grants: amounts falling due after more than one year	17	(165,167)	(155,205)	(165,167)	(155,205)
		<u>(341,499)</u>	<u>(313,672)</u>	<u>(341,499)</u>	<u>(313,672)</u>
Pension Liability	21	(848)	2,563	(848)	2,563
Net assets		<u>33,746</u>	<u>32,772</u>	<u>33,085</u>	<u>32,738</u>
Capital and reserves					
Revenue reserve		33,746	32,772	33,085	32,738
		<u>33,746</u>	<u>32,772</u>	<u>33,085</u>	<u>32,738</u>

The financial statements were approved by the Board of Management on 17 July 2024 and were signed on its behalf by:



Tom Broadhead
Company Secretary



Martin Reed
Chair



Anthony Hearn
Vice chair

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

MELIN HOMES LIMITED

STATEMENT OF CONSOLIDATED CASH FLOW
Year Ended 31 March 2024

		GROUP		ASSOCIATION
	Note	12m ended 31 Mar 2024 £'000	12m ended 31 Mar 2023 £'000	12m ended 31 Mar 2023 £'000
Net cash inflow from operating activities	1	16,386	11,552	9,326
Returns on investment and servicing of finance				
Interest paid		(5,228)	(4,722)	(4,586)
Interest received		315	364	364
Tax paid		(19)	(9)	(9)
		<u>(4,932)</u>	<u>(4,367)</u>	<u>(4,231)</u>
Adjustments for reinvestment in existing properties				
Component replacements		(3,001)	(3,572)	(3,572)
Purchase of other replacement fixed assets		(24)	(96)	(96)
Free cash generated/(consumed) before loan repayments		8,429	3,517	1,427
Loans repaid (excluding revolving credit facilities)		(2,746)	(13,383)	(9,689)
Free cash consumed after loan repayments		5,683	(9,866)	(8,262)
Capital expenditure and financial investment				
Purchase and construction of housing properties		(43,402)	(27,154)	(21,749)
Component expenditure		(3,001)	(3,572)	(3,572)
Government grants received		5,296	10,557	10,557
Grants repaid		631	163	163
Purchase of other fixed assets		(195)	(427)	(427)
Sale of other fixed assets		56	71	71
Care & Repair Reserves		(541)	0	0
Sale of housing properties and fixed asset investments		16,397	10,781	3,136
		<u>0</u>	<u>0</u>	<u>0</u>
Fair Value Movement on Investment Properties		0	20	20
Net cash inflow/(outflow) from investing activities		(24,759)	(9,561)	(11,801)
Free cash inflow/(outflow) before financing		(13,305)	(2,376)	(6,706)
Financing				
Housing loans received		20,000	20,000	20,000
Housing loans repaid		(2,746)	(13,383)	(9,689)
Free cash (outflow)/inflow from financing		17,254	6,617	10,311
(Decrease)/Increase in cash	2	3,949	4,241	3,605

MELIN HOMES LIMITED

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

	GROUP		ASSOCIATION	
	12m ended 31 Mar 2024 £'000	12m ended 31 Mar 2023 £'000	12m ended 31 Mar 2024 £'000	12m ended 31 Mar 2023 £'000
1 Operating surplus	7,620	6,932	6,635	6,203
Depreciation of tangible assets	4,222	4,791	4,222	4,791
Surplus on sale of assets	(493)	(1,142)	(493)	(1,142)
(increase)/decrease in debtors	931	4,908	1,477	3,640
increase/(decrease) in creditors	2,969	(2,350)	2,950	(2,579)
Increase in stock	0	0	0	0
Non cash movement in pension	2,563	(211)	2,563	(211)
Amortisation of grant	(1,426)	(1,376)	(1,426)	(1,376)
Net cash inflow from operating activities	<u>16,386</u>	<u>11,552</u>	<u>15,928</u>	<u>9,326</u>

RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET DEBT

	12m ended 31 Mar 2024 £'000	12m ended 31 Mar 2023 £'000	12m ended 31 Mar 2024 £'000	12m ended 31 Mar 2023 £'000
2 (Decrease)/Increase in cash in the year	3,949	4,241	4,651	3,605
Cash inflow from changes in debt	(17,254)	(10,935)	(17,878)	(10,311)
Non cash movement on debt	0	0	0	0
Movement in net debt in the period	<u>(13,305)</u>	<u>(6,694)</u>	<u>(13,227)</u>	<u>(6,706)</u>
Net debt at start of year	(123,634)	(116,940)	(123,891)	(117,185)
Net debt at end of year	<u>(136,939)</u>	<u>(123,634)</u>	<u>(137,118)</u>	<u>(123,891)</u>

3 ANALYSIS OF CHANGES IN NET DEBT

ASSOCIATION	31 Mar 2023 £'000	Cash flows £'000	Non cash amendments	31 Mar 2024 £'000
Cash in hand and at bank	6,935	4,651	-	11,586
	<u>6,935</u>	<u>4,651</u>	<u>-</u>	<u>11,586</u>
Debt due in less than one year	(5,053)	3,204	-	(1,849)
Debt due in more than one year	(125,773)	(21,082)	-	(146,855)
Balance at end of year	<u>(123,891)</u>	<u>(13,227)</u>	<u>0</u>	<u>(137,118)</u>
GROUP	31 Mar 2023 £'000	Cash flows £'000	Non cash amendments	31 Mar 2024 £'000
Cash in hand and at bank	7,816	3,949	-	11,765
	<u>7,816</u>	<u>3,949</u>	<u>-</u>	<u>11,765</u>
Debt due in less than one year	(5,677)	3,828	-	(1,849)
Debt due in more than one year	(125,773)	(21,082)	-	(146,855)
Balance at end of year	<u>(123,634)</u>	<u>(13,305)</u>	<u>0</u>	<u>(136,939)</u>

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. Legal Status

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

2. Accounting Policies

Basis of Accounting

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

Turnover

Turnover comprises:

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

Housing Properties

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

Cost includes the:

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

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

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

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

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

Basis of consolidation

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

Development Administration Costs

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

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

Properties awaiting sale

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

Social Housing Grant

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

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

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

Other Grants

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

Loans & Interest Payable

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

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

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

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

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

Depreciation of Housing Properties

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

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

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

Impairment

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

Other Tangible Fixed Assets and Depreciation

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

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

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

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

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

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

Pensions

The Association participates in four pension schemes:-

- (i) **Social Housing Pension Scheme**
A centralised final salary Social Housing Pension Scheme funded by contributions from all participating employers and employees in the scheme. Payments are made to a fund operated by the Pensions Trust, an independent Trust providing superannuation benefits for employees of voluntary organisations. These payments are made in accordance with periodic calculations by consulting actuaries.
- (ii) **Social Housing Pension Scheme – Defined Contribution**
The association set up the Social Housing Pension Scheme defined contribution scheme in April 2014. The scheme is used as the association's auto enrolment scheme.
- (iii) **Greater Gwent (Torfaen) Pension Fund**
A defined scheme, based on final pensionable salary, where contributions to the scheme are determined on the advice of independent actuaries to Torfaen CBC following triennial valuations, using the projected unit method. Retirement benefits are funded from contributions made by the Association and its employees to a multi-employer pension scheme, which provides defined benefits to employees on retirement.
- (iv) **Royal London**
A defined contribution scheme which offers flexibility over payment levels, investment choice and control and benefit flexibility at retirement.

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

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

Both the Social Housing Pension Scheme and the Greater Gwent (Torfaen) Pension Fund were closed to any new members with effect from 1 October 2009.

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

Value Added Tax (VAT)

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

Corporation tax

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

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

Basis of Preparation

The financial statements have been prepared on a going concern basis. The Board have reviewed and considered relevant information, including the rolling forecasts and future cash flows in making their assessment.

Melin are currently in discussions to potentially merge with Newport City Homes. We have started a programme of work to explore how to merge both associations into a new organisation. The merger will take place once a number of requirements have been met including the consent of funders and regulators and the agreement of both Boards.

At the present time, the expected completion date for the merger, should it achieve the thresholds above, is 1st April 2025, i.e. within 12 months of the signing of these financial statements.

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

3. Turnover, Operating costs and Operating surplus

	2024		ASSOCIATION 2023	
	Turnover £'000	Operating Costs £'000	Turnover £'000	Operating Costs £'000
Social housing lettings (Note 4)	25,634	(20,701)	23,642	(18,872)
Other social housing activities	1,523	(1,030)	2,740	(1,598)
1st tranche property sales	-	-	-	-
Supporting people	1,000	-	42	-
Gift Aid	-	-	-	-
Non-social housing activities				
Lettings	122	(95)	125	(54)
Care & Repair	-	-	1,645	(1,589)
Rural Housing Enabler	-	(6)	-	(12)
Other	188	-	134	-
	28,467	(21,832)	28,328	(22,125)
				6,203

The above analysis represents the results of the Association, which is the only Registered Social Landlord in the Group. Its subsidiary contributed as follows to the operating position. A turnover of £10,085k occurred in the year, profit amounted to £1,834k thus leading to the overall group profit of £1,182k.

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

4. Income and expenditure from social housing lettings

				ASSOCIATION	
	General needs and sheltered housing	Supported housing	Other social housing letting income	2024	2023
Income	£'000	£'000	£'000	Total £'000	Total £'000
Rent receivable	21,658	122	72	21,852	20,134
Service charges income	1,748	11	135	1,894	1,519
Income for support services	4	-	-	4	3
Amortisation of grants	1,426	-	-	1,426	1,380
Physical Adaptation Grant	59	-	-	59	46
DWF Income	-	-	109	109	214
Management Charge	-	-	162	162	148
ORP retrofit	128	-	-	128	198
Turnover from social housing lettings	25,023	133	478	25,634	23,642
Cost					
Management costs	6,377	-	43	6,420	6,116
Service charge costs	2,145	31	116	2,292	1,683
Routine maintenance	5,766	3	61	5,830	5,118
Major repairs expenditure	1,410	-	6	1,416	1,138
Bad debts	160	-	-	160	160
Depreciation on housing properties	4,454	-	-	4,454	4,427
ORP retrofit	129	-	-	129	230
Operating costs on social housing activities	20,441	34	226	20,701	18,872
Operating surplus on social housing activities	4,582	99	252	4,933	4,770
Rent loss due to voids (memorandum note)	(203)	-	-	(203)	(215)

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

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

5. Accommodation in Management

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

	GROUP & ASSOCIATION	
	2024	2023
	Number	Number
Melin Rented	3,908	3,858
Other Rented	41	41
Service Costs Only	242	240
Home Ownership	511	496
Commercial	33	31
	4,735	4,666

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

10. Tangible Fixed Assets - Housing Properties

	ASSOCIATION				
	<i>Housing Properties Held for Letting £'000</i>	<i>Housing Properties Under Construction £'000</i>	<i>Completed Shared Ownership Housing Properties £'000</i>	<i>Shared Ownership Properties Under Construction £'000</i>	<i>Total £'000</i>
Cost					
At 1 April 2023	327,160	33,422	599	0	361,181
Additions	111	28,513	0	0	28,624
Disposals - Homebuy	0	(2,861)	0	0	(2,861)
Disposals	0	0	0	0	0
Schemes completed in year	7,044	(7,044)	0	0	0
Components - Additions*	3,001	0	0	0	3,001
Components - Disposals	(1,059)	0	0	0	(1,059)
At 31 March 2024	336,257	52,030	599	0	388,886
Accumulated depreciation					
At 1 April 2023	(50,530)	0	(211)	0	(50,741)
Charge for year	(3,818)	0	(6)	0	(3,824)
Depreciation on component disposals	428	0	0	0	428
At 31 March 2024	(53,920)	0	(217)	0	(54,137)
Subtotal at 1 April 2023	276,630	33,422	388	0	310,440
Subtotal at 31 March 2024	282,337	52,030	382	0	334,749
Housing properties comprise:			2024 £'000		2023 £'000
Housing properties :- Freehold			387,336		359,631
:- Long leasehold			1,550		1,550
			388,886		361,181

* Included in Component - Additions is £169k of Optimised Retrofit Programme costs during the year

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

11. Long Term investments

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

	Group and Association	
	2024 £'000	2023 £'000
Long term investments	25,569	24,184
Rent to Own	450	450
Shared Ownership	-	28
	26,019	24,662

The LT investment relates to an interest free loan representing 30% of the purchase price of the Homebuy property (£39k), and 50% of the purchase price of the Rural Homebuy property, (£18,992k) by individuals under the Do It Yourself Homeownership scheme includes (£6,538k) self funded by Melin. The loan is fully funded by revenue and Social Housing Grant and the respective 30% and 50% of the sale proceeds are repayable when the property is sold

12. Tangible Fixed Assets - Other

	Freehold Offices £'000	Office Equipment £'000	Group and Computer Equipment £'000	Association Scheme Equipment £'000	Motor Vehicles £'000	Total £'000
Cost						
At 1 April 2023	2,438	712	2,574	1,734	567	8,025
Additions	-	-	152	24	19	195
Disposals	-	-	-	-	(299)	(299)
At 31 March 2024	2,438	712	2,726	1,758	287	7,921
Depreciation						
At 1 April 2023	496	462	2,079	1,367	505	4,909
Charge for year	29	74	234	53	8	398
Disposals	-	-	-	-	(265)	(265)
At 31 March 2024	525	536	2,313	1,420	248	5,042
Net book value						
At 31 March 2024	1,913	176	413	338	39	2,879
At 31 March 2023	1,942	250	495	367	62	3,116

Included in the above are motor vehicles and office equipment on hire purchase agreements with a net book value of £142,691 (2023: £256,406).

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

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Arrears of rent and service charges	660	532	660	532
Less: Provision for bad and doubtful debts	(208)	(192)	(208)	(192)
	452	340	452	340
Other debtors	1,007	1,144	6,115	7,798
Cash In Transit	342	256	342	256
Rechargeable Repairs	17	7	17	7
Prepayments and accrued income	2,366	4,199	3,366	4,199
Service charge debtors	845	445	845	445
Housing Finance Grant debtor	283	271	283	271
	5,312	6,662	11,420	13,316

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

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Housing Finance Grant debtor	9,417	9,699	9,417	9,699
THFC deposit	679	598	679	598
Mor Homes Deposit	259	259	259	259
Loan Debtor	93	114	93	114
	10,448	10,670	10,448	10,670

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

14. Creditors: Amounts Falling Due Within One Year	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Debt due within a year	1,849	5,677	1,849	5,053
Rent and service charges received in advance	882	788	882	788
Purchase ledger	2,203	2,156	1,662	1,675
Accrued loan interest	425	295	425	295
Recycled Social Housing Grant	900	1,199	900	1,199
SHG received in advance	4,413	3,728	4,413	3,728
Accruals and deferred income	2,593	3,650	2,581	3,597
Corporation Tax	236	19	28	11
Service Charge Creditor	279	277	279	277
ICF Loan	0	3,678	0	3,678
Promissory Note	0	0	0	0
WG Loan	1,000	0	1,000	0
Land for Housing Loan	3,160	2,700	3,160	2,700
ORP	3,520	950	3,520	950
Other creditors	228	280	228	280
	21,688	25,397	20,927	24,231

15. Creditors: Amounts Falling Due After More Than One Year	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Debt (note 16)	146,855	125,773	146,855	125,773
Land for Housing Loan	0	460	0	460
IHP	1,200	1,200	1,200	1,200
WG Loan	5,000	1,000	5,000	1,000
Mor Homes Bond Premium	426	456	426	456
SHG received in advance	0	7,027	0	7,027
Recycled Social housing Grant	3,033	3,019	3,033	3,019
Rent to Own Grant	116	116	116	116
Shared Ownership Grant	0	953	0	953
Leaseholder Major Repairs Creditor	489	428	489	428
Leaseholder Cyclical Creditor	56	49	56	49
Investment Grants	19,101	17,935	19,101	17,935
Service Charges	56	51	56	51
	176,332	158,467	176,332	158,467

Recycled Social housing Grant	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Opening balance 1st April 2023	4,218	4,106	4,218	4,106
Movement during the year	(285)	112	(285)	112
Balance at 31st March 2024	3,933	4,218	3,933	4,218

The net movement of -£285k in the RCG balance between 1 April 2023 and 31 March 2024 represents the transfer of SHG resulting from the sale of low cost home ownership properties developed by the Association during the year of £249k and the use of £534k of RCG in DIY Low Cost Home Ownership properties

16. Debt Analysis	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<i>Due within one year</i>				
Housing loans	1,849	5,677	1,849	5,053
<i>Due after more than one year</i>				
Housing loans	146,855	125,773	146,855	125,773
<i>Debt is repayable on loans as follows:</i>				
Due within one year	1,849	5,677	1,849	5,053
Between one and two years	21,512	19,714	21,512	19,714
Between two and five years	22,565	2,870	22,565	2,870
In five years or more	102,778	103,189	102,778	103,189
	148,704	131,450	148,704	130,826

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

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

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

The loans from Bank and Building Societies are repaid in monthly or quarterly instalments over terms of 5 to 37 years at fixed and variable interest rates. The fixed interest rates at 31 March 2024 range from 0.79% to 8.38% and the variable rate is 5.19%.

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

17. Social housing and other government grants

	GROUP & ASSOCIATION				
	<i>Housing Properties Held for Letting</i>	<i>Housing Properties Under Construction</i>	<i>Completed Shared Ownership Housing Properties</i>	<i>Shared Ownership Properties Under Construction</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000
Gross grant creditor					
At 1 April 2023	173,594	5,902	384	0	179,880
Additions*	284	11,156	0	0	11,440
Disposals/transfers	0	0	0	0	0
Disposals - LCHO	0	0	0	0	0
Schemes completed in year	2,100	(2,100)	0	0	0
At 31 March 2024	175,978	14,958	384	0	191,320
Amortisation					
At 1 April 2023	23,122	0	136	0	23,258
Credit for the year	1,422	0	4	0	1,426
Schemes disposed in year	0	0	0	0	0
At 31 March 2024	24,544	0	140	0	24,684
Net grant creditor					
At 31 March 2024	151,434	14,958	244	0	166,636
At 1 April 2023	150,472	5,902	248	0	156,622

the grants are amortised as follows:

	GROUP & ASSOCIATION	
	2024	2023
	£'000	£'000
Amounts falling due:		
Within one year or less	1,469	1,417
Between one and two years	1,469	1,417
Between two and five years	4,407	4,251
In five years or more	159,291	149,537
In more than one year	165,167	155,205
Total grant creditor	166,636	156,622

* The amount of £158k in housing properties held for letting relates to Optimised Retrofit Programme Grant received in the year

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

18. Share Capital	GROUP & ASSOCIATION	
	2024	2023
	£	£
<i>Shares of £1 each issued and fully paid</i>		
At 1 April	30	32
New members during the year	-	-
Members written back during year	(1)	(2)
At 31 March	<u>29</u>	<u>30</u>

The shares were issued for cash at par.

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

19. Capital Commitments	GROUP & ASSOCIATION	
	2024	2023
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	<u>24,711</u>	<u>37,566</u>
Capital expenditure that has been authorised by the Board but has not yet been contracted for.	<u>11,411</u>	<u>1,048</u>

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

20. Investment Grants

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

	GROUP & ASSOCIATION	
	2024	2023
	£'000	£'000
Investment Grants	19,101	17,935

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

21. Pensions

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

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

The overall pension liability provision is £848k for 31st March 2024, which is now only the SHPS DB liability.

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

This is the fifth year where the SHPS DB accounting changes have been reflected in the accounts. This has resulted in an actuarial loss for the current year of £249k, so along with the £599k actuarial loss in the LGPS scheme, the total actuarial loss for the year is £848k.

Pensions Obligations

a. Social Housing Pension Scheme (SHPS)

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

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

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

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

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

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

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

21. Pensions Obligations - continued b. Social Housing Pension Scheme

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

The Association made an annual contribution towards the past service deficit of £219,815 up to March 2024 and £208,000 up to March 2023.

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

The most recent valuation was carried out as at 30 September 2023, and has been updated by independent actuaries to the SHPS fund to take account of the requirements of FRS102 in order to assess the liabilities of the fund as at 31 March 2024. Liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities discounted to their present value.

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

	31 March 2024	31 March 2023
	% per annum	% per annum
Salary Growth	3.78%	3.77%
Inflation (RPI)	3.14%	3.19%
Inflation (CPI)	2.78%	2.75%
Discount rate	4.91%	4.85%

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

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

The following amounts were measured in accordance with the requirements of FRS102 for period ended 31 March 2024:

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

	31 March 2024	31 March 2023
	(£000s)	(£000s)
Fair value of plan assets	3,783	3,856
Present value of defined benefit obligation	4,631	4,642
Surplus (deficit) in plan	(848)	(786)
Defined benefit asset (liability) to be recognised	(848)	(786)

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

21. Pensions Obligations - continued

The following amounts were measured in accordance with the requirements of FRS102 for period ended 31 March 2024:

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2024 (£000s)
Defined benefit obligation at start of period	4,642
Expenses	-
Interest expense	223
Actuarial losses (gains) due to scheme experience	1
Actuarial losses (gains) due to changes in demographic assumptions	(56)
Actuarial losses (gains) due to changes in financial assumptions	(41)
Benefits paid and expenses	(138)
Defined benefit obligation at end of period	4,631

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

	Period ended 31 March 2024 (£000s)
Fair value of plan assets at start of period	3,856
Interest income	190
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(345)
Contributions by the employer	220
Benefits paid and expenses	(138)
Fair value of plan assets at end of period	3,783

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2024 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(345)
Experience gains and losses arising on the plan liabilities - gain (loss)	(1)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	56
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	41
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(249)
Total amount recognised in other comprehensive income - gain (loss)	(249)

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

21. Pensions Obligations - continued

b. Greater Gwent (Torfaen) pension scheme

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

Melin Homes Limited participated in the Greater Gwent pension scheme, which is administered by Torfaen County Borough Council and is a defined benefit scheme, based on final pensionable salary

The most recent valuation was carried out as at 31 March 2022, and has been updated by independent actuaries to the Greater Gwent pension fund to take account of the requirements of FRS102 in order to assess the liabilities of the fund as at 31 May 2023. Liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities discounted to their present value.

Melin Homes Limited's contribution rate from 1 April 2023 to 31 May 2023 was 26.3% of pensionable salary costs.

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

	31 March 2024	31 March 2023
	% per annum	% per annum
Rate of increase in salaries	2.70%	2.90%
Rate of increase in pensions	2.20%	2.75%
Discount rate	4.40%	4.85%

Assets are valued at fair value, principally market value for investments, and comprise:

	31 March 2024	31 March 2023
	%	%
Equities	79	79
Bonds	17	17
Property	3	3
Cash/Liquidity	1	1

The proportions of total assets held in each asset type, shown above, reflect the proportions held by the fund as a whole at 31 March 2024.

As at the balance sheet date there were 0 active members of the scheme employed by the Association, as all members left the scheme at 31 May 2023.

The pension charge includes contributions payable by the Association to the fund and amounted to £49,482 in 2024 (£813,997 in 2023).

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

21. Pensions Obligations - continued

The following amounts were measured in accordance with the requirements of FRS102 for period ended 31 March 2024:

	Assets £'000	Obligations £'000	Net (liability)/ asset £'000
Fair Value of plan assets	17,860	-	17,860
Present Value of funded liabilities	-	14,511	(14,511)
Opening position as at 31 March 2023	17,860	14,511	3,349
Service Cost			
Current service cost	-	49	(49)
Total Service Cost	-	49	(49)
Net Interest			
Interest income on plan assets	143	-	143
Interest cost on defined benefit obligation	-	115	(115)
	143	115	28
Total defined benefit cost recognised in Profit or (Loss)	143	164	(21)
Cashflows			
Plan participants' contributions	14	14	-
Employer contributions	49	-	49
Benefits Paid	(527)	(527)	-
Expected closing position	17,539	14,162	3,377
Remeasurements			
Changes in demographic assumptions		109	(109)
Changes in financial assumptions		(88)	88
Other experience	(3)	198	(201)
Return on assets exc amounts included in net interest	(377)		(377)
Total remeasurements recognised in Other Comprehensive Income (OCI)	(380)	219	(599)
Fair Value of plan assets	17,159	-	17,159
Present Value of funded liabilities	-	14,381	(14,381)
Closing position as at 31 March 2024	17,159	14,381	2,778

The following amounts were measured in accordance with the requirements of FRS102 for period ended 31 March 2023:

	Assets £'000	Obligations £'000	Net (liability)/ asset £'000
Fair Value of plan assets	17,455	-	17,455
Present Value of funded liabilities	-	22,243	(22,243)
Opening position as at 31 March 2023	17,455	22,243	(4,788)

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

21. Pensions Obligations - continued

	Assets £'000	Obligations £'000	Net (liability)/ asset £'000
Service Cost			
Current service cost	-	536	(536)
Total Service Cost	<u>-</u>	<u>536</u>	<u>(536)</u>
Net Interest			
Interest income on plan assets	506	-	506
Interest cost on defined benefit obligation	-	640	(640)
	<u>506</u>	<u>640</u>	<u>(134)</u>
Total defined benefit cost recognised in Profit or (Loss)	<u>506</u>	<u>1,176</u>	<u>(670)</u>
Cashflows			
Plan participants' contributions	90	90	-
Employer contributions	687	-	687
Benefits Paid	(139)	(139)	-
Expected closing position	<u>18,599</u>	<u>23,370</u>	<u>(4,771)</u>
Remeasurements			
Changes in demographic assumptions		(1,100)	1,100
Changes in financial assumptions		(8,681)	8,681
Other experience	(165)	922	(1,087)
Return on assets exc amounts included in net interest	(574)		(574)
Total remeasurements recognised in Other Comprehensive Income (OCI)	<u>(739)</u>	<u>(8,859)</u>	<u>8,120</u>
Fair Value of plan assets	17,860	-	17,860
Present Value of funded liabilities	-	14,511	(14,511)
Closing position as at 31 March 2023	<u>17,860</u>	<u>14,511</u>	<u>3,349</u>

c. Royal London Defined Contribution Scheme

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

Between 1 April 2023 and 31 March 2024, the Association paid contribution rates between 5.5% and 26.3%. Member contribution rates varied between 3% and 21%. As at the balance sheet date, there were 116 active members of the scheme employed by the Association.

The pension charge includes contributions payable by the Association to the fund and amounted to £715,261 in 2024 (£476,641 in 2023).

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

21. Pensions Obligations - continued

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

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

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

Between 1 April 2023 and 31 March 2024, the Association paid contribution rates of 3%.

Member contribution rates were 5%. As at the balance sheet date, there were 64 active members of the scheme employed by the Association.

The pension charge includes contributions payable by the Association to the fund and amounted to £56,030 in 2024 (£48,461 in 2023).

22 Controlling Interests

On the 23 June 1998 Melin Homes Ltd became the sole Trustee of Henry Burton Almshouse Charity. As at 31 March 2024, the total net assets of the Charity amounted to £1,474,368. The total turnover was £156,406 and the net surplus for the year was £135,412.

As the Managing Agent, Melin Homes received a total of £37,558 in fees from the Charity during the current year (2023: £36,464). There was £28,838 balance owing as at 31 March 2024. (2023: £29,887).

The Registrar of Friendly Societies has agreed that the accounts of Henry Burton Almshouse Charity need not be consolidated with those of the Association.

On the 13 January 2023 Melin Homes Ltd became the sole Trustee of Roger Williams and Queen Victoria Almshouses.

23 Related Parties

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

Melin Homes Ltd was owed £5,368k from its subsidiary Candleston Ltd as at 31st March 2024 (2023:£7,202k).

24 Taxation

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

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

MELIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

25. Contingent Liabilities

As stated in the accounting policies, social housing grant is repayable in certain circumstances and therefore any amounts written off could be liable for repayment. The amount to date that the Association may need to repay should these circumstances arise is £24,684k.

26. Corporation Tax	2024 £'000	2023 £'000
Corporation tax charge	<u>28</u>	<u>11</u>

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

27. Housing Properties Held for Sale	2024 £'000	2023 £'000
Housing properties held for sale at the beginning of the year	243	-
Housing properties transferred during the year	<u>371</u>	<u>243</u>
Housing properties held for sale at the end of the year	<u>614</u>	<u>243</u>

28. Group Note

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

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

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

29. Exceptional Items

On the 1st April 2023 the Care and Repair operations of the association were restructured into a separate legal entity. Assets and reserves related to this operation were transferred at a cost of £541,064 on this date.

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