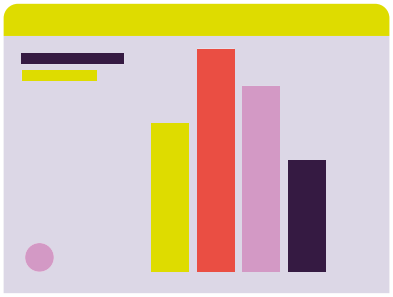
Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

barcud

Financial Statements 2025/26

barcud.cymru



Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Contents

Introduction 2

Corporate information. 5

Report of the Board of Management 6

Barcud Board. 10

Governance 14

Value for Money 15

Financial Review. 16

Financial Risks 16

Environmental, Social and Governance. 17

Independent Auditor's Report
to the Members of Barcud cyf 17

Group and Association Statement
of Comprehensive Income 21

Group and Association Statement
of Financial Position 22

Group and Association Statement
of Changes in Reserves. 23

Group Statement of Cash Flows 24

Notes to the Financial Statements. 26

This publication is available in other formats such as large print document.
This report is also available online: barcud.cymru
Please contact customer services for further information on 0300 111 3030
or email: post@barcud.cymru

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Introduction

This year has been about strengthening the way we work together as one organisation, so we can better serve our communities now and into the future. At the heart of everything we do are our tenants. We know that delivering high quality homes and services starts with listening to the people who live in them. This year launching our new Tenant Involvement Strategy has been a significant step forward. Co-created with our tenants, the strategy reflects their ideas and aspirations, ensuring their voices help shape our decisions and priorities. We are incredibly grateful to everyone who contributed to this work and look forward to turning those ideas into meaningful actions while continuing to strengthen the trust as we work closer together.

Together, colleagues across the Group have helped shape a new Value for Money strategic approach with the launch of our 3 year strategy. This will ensure every activity delivers value for money, strengthens our services and positions us to achieve our ambitions over the coming years with tenant impact at the heart of every decision. This shared commitment has created a clear direction for the future and hold us accountable to ensure every decision made counts for our tenants, communities and stakeholders.

Developing a clear and strategic approach to digital transformation is central to Barcud's ambition to improve efficiency, drive innovation and enhance tenant and community satisfaction. The launch of the Digital Strategy during the past 12 months marks an important milestone for the Group. While many of the planned changes will not be immediately visible, they are laying the foundations for better services and improved tenant

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

experiences. One of the most significant developments is the transformation of our repairs service. By the end of the year, we had begun introducing new ways for tenants to report repairs at a time that suits them, track their progress and provide feedback. This is the first step in a wider programme of service improvement, introducing consistent ways of working for Medra and EOM, using technology and innovation to make our services more accessible, responsive and centred on the needs of our tenants. We look forward to continuing to deliver this ambitious strategy across the Group, whilst continuing to provide a range of communication channels so that tenants and stakeholders can engage with us in the way that best meets their needs. Our teams on the ground deliver wide-ranging support, advice and practical help to tenants and communities. Our Cynnal team over the course of the year has worked with many households helping to secure a combined total of £2.9m in additional financial support. Our Care & Repair in Powys subsidiary enabled more than 1,200 older and disabled people to live more independently in their own homes and The Care Society continued to support those at risk of homelessness and those with additional support needs.

Alongside this transformation, we have continued to invest in the homes and communities we serve. From Cwrt y Clawdd, Knighton to Fferm Fila in Crymych, we are building new affordable housing developments across our geographical area helping to meet local housing need. At the same time our decarbonisation programme remains a key priority. As the case studies within this report highlight, these improvements are making a difference to tenants' homes reducing energy costs and improving thermal comfort. Alongside planned improvements to our homes, we are committed to resolving issues reported by tenants efficiently to help keep their homes safe and well maintained.

Bringing together more than 300 colleagues for our first ever Group Colleague Conference set the tone for our journey as one organisation. Each of our subsidiaries makes an important contribution to the Group. By working together and sharing knowledge and expertise, we are stronger as one Barcud. This event provided an opportunity to share ideas, engage with the vision and emphasise that regardless of which role or location we are one team on the same one journey. The enthusiasm and shared sense of purpose shown during the day created a real strong sense of purpose.

We would like to take this opportunity to thank Siobhan Johnson, who has resigned from the Board after four years of dedicated service due to increasing work commitments. We appreciate her contribution during her time on the Board and wish her well for the future. We would also like to welcome Claire, Carys and Ian as new Board members. We look forward to working closely with them all.

As Chair of the Board and Group Chief Executive, we are very proud of what has been achieved over the past year. While there is still much to do, we are confident that the foundations we have built will enable us to deliver the ambitious plans set out for the years ahead. We look forward to continuing to work closely with our tenants, colleagues and partners by remaining open and transparent in everything we do and providing homes and services that make a positive difference to the communities we serve.

Alison Thorne
Chair of the Board

Jason Jones
Group Chief Executive

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

barcud
Community Benefit Society
(IP030701R)

Gofal a Thrwsio ym Mhowys
Care & Repair in Powys
Community Benefit Society
(IP29535R)

EOM
Companies Act
(02899572)

CYMDEITHAS GOFAL
THE CARE SOCIETY
Charitable Company
(07628816)

A clear set of values helps drive our strategic objectives

Committed
We are committed to providing firm foundations for life.

Respect
We respect the people we work with and work for and value the contribution they make.

Together
We work together with colleagues, tenants and partners, creating stronger communities.

Caring
We care about people, communities, culture, country and the environment.

Proud
We take pride in what we do and we are proud of doing it well.

To maximise the provision of affordable, energy efficient homes in mid and west Wales

To be a bilingual, tenant focused landlord that works with partners to support the local economy, communities and tackles homelessness

To be an inclusive, first class employer that fosters a positive culture and is dedicated to developing its employees

To be a sustainable, low carbon organisation

To be an organisation with robust governance, finances and digital infrastructure

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Corporate information

Leadership Team

Jason Jones, Group Chief Executive

Kate Curran, Group Director of Finance, Governance & Investment

Deina Hockenhull, Group Director of People and Insights

Llŷr Edwards, Director of Safe Homes

Sara Woodall, Director of Communities

Funders

Barclays Windsor Court, 3 Windsor Place, Cardiff CF10 3BX

Orchard Brooke Crown House, Crown Street, Ipswich IP1 3HS

THFC 17 St Swithin's Lane, London EC4 8AL

Nationwide Kings Park Road, Moulton Park, Northampton NN3 6NW

GB Social Housing The Future Business Centre, Kings Hedges Road, Cambridge CB4 2HY

BAE Systems 14/16 Caxton Street, London SW1 0QT

abrdn 1 George Street, Edinburgh EH2 2LL

Registered Office

Unit 4, Pont Steffan Business Park, Station Terrace, Lampeter, Ceredigion SA48 7HH

External Auditor

Menzies 20 Colmore Circus Queensway, Birmingham B4 6AT

Internal Auditors

Astari Limited 2 Alexandra Gate, Ffordd Pengam, Cardiff CF24 2SA

Bankers

Barclays Bank plc 1 Churchill Place, London E14 5HP, United Kingdom

Registered under the Co-operative and Community Benefit Societies Act 2014 with charitable rules. Registered by the Welsh Government No. L151

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Report of the Board of Management

The Board of Management present their report and the financial statements for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES

Barcud is a not-for-profit Housing Association. As with all Registered Social Landlords (RSLs) in Wales, it is registered with and regulated by the Welsh Government.

The Association was formed for the benefit of communities in areas in which the Association owns or manages housing stock.
Barcud is registered under the Co-operative and Community Benefit Societies Act 2014 with charitable rules. The registered office is Unit 4, Pont Steffan Business Park, Lampeter, Ceredigion, SA48 7HH.

It is a body whose primary purpose is providing affordable rented housing to people in housing need. Barcud has three subsidiaries:

- Care & Repair in Powys, which provides support and assistance to elderly or disabled owner-occupiers, enabling them to continue to live in their own homes
- EOM, a private limited company which provides a repairs and maintenance service to Barcud's properties in Powys as well as a commercial service in the area
- The Care Society Cymdeithas Gofal whose principal activities are to promote social inclusion for the public benefit by preventing people from becoming socially excluded by reason of homelessness, support people at risk of losing their home, people living in inadequate accommodation or unsettled circumstances in Ceredigion and surrounding counties.

FIXED & INTANGIBLE ASSETS

Details of changes to Barcud's fixed assets are shown in notes 8 - 10 to the financial statements.

PAYMENT OF CREDITORS

Barcud agrees terms and conditions for its business transactions with suppliers at the time of supply. Payment is then made on these terms, subject to the terms and conditions being met by the supplier.

INVESTING IN EMPLOYEES

Motivated and committed employees are essential to achieving our aim of providing high quality services to our tenants, and the Board embraces the need for employees to be empowered and involved at every level of the organisation.

Barcud is committed to ensuring and promoting equality of opportunity for all in the services that it delivers and the way that those services are delivered, ensuring that differences are recognised. Barcud is also committed to ensuring equality for all its colleagues, as well as for applicants for employment.

Barcud is committed to responding to social diversity in today's society and strives to reflect this in its own organisational culture and through inclusive policies. Development of colleagues is essential to growing the organisation. A structured approach to training and development is provided to enable colleagues to fulfil and develop their role within Barcud. This involves locally delivered in-house training courses, one-off courses of a specialist nature and training associated with the implementation of business systems. Barcud also supports people undertaking external

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

courses and professional qualifications appropriate to business needs.

HEALTH AND SAFETY

The Board is aware of its responsibilities for all matters relating to health and safety. Barcud has detailed health and safety policies, complies with its statutory duties and provides colleague training and education on health and safety matters. Compliance is monitored through meetings of the Health & Safety Forum, Audit and Risk Committee, Projects and Performance Committee and the Board.

BOARD MEMBERS AND DIRECTORS

The Board members and Leadership Team who served during the year and to the present date are set out on pages 10 - 13. As of 31 March 2026, the Board was made up of 14 members, to complement existing skills and experience. An assessment has been made of members' skills and experience to ensure that the Board continues to carry out its role effectively.

The Directors are the Chief Executive and any other person who is a member of Barcud's Leadership Team. The Directors are not Board members, hold no interest in Barcud's shares and act as executives within the authority delegated by the Board.
Barcud has insurance policies, which indemnify its Board members and Directors against liability when acting for Barcud.

REMUNERATION

Policy

The Board is responsible for agreeing the remuneration level of its Directors. It agrees the appointment of Directors and their remuneration, as well as the brief within which the Chief Executive can negotiate employee salaries.

The Board pays close attention to remuneration levels in the sector in determining the remuneration packages of the Directors. Salaries are set having regard to each Director's responsibilities and pay levels for comparable positions.

Pensions

The Directors are members of the Local Government Pension Scheme (a defined benefit final salary pension scheme), Royal London Pension Scheme (a defined contribution scheme) or Social Housing Pension Scheme (a defined contribution scheme). They participate in the scheme on the same terms as all other eligible employees and Barcud contributes to the scheme on behalf of its employees.

Conditions of employment

The Directors are employed on broadly the same terms as other colleagues, although their notice period is six months.

TENANT INVOLVEMENT

Barcud recognises that working in partnership with our tenants is the best way of ensuring that we deliver services that tenants want and value. We believe that effective and meaningful tenant involvement is the best way of knowing whether services are being provided to the quality that tenants are entitled to expect. We actively encourage tenants' involvement in decision-making by offering a wide range of options, including a variety of satisfaction surveys and in person events.

INTERNAL CONTROLS ASSURANCE

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

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

The Board receives and considers reports from Directors and management on risk management and control arrangements during the year.

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

Identifying and evaluating key risks

Barcud has a risk management strategy, setting out the Board's attitude and responsibility towards risk in the achievement of its objectives.

Control environment and internal controls

The processes to identify and manage the key risks to which Barcud is exposed are an integral part of the internal control environment. Such processes include strategic planning, the recruitment of Directors and senior employees, regular performance monitoring and the setting of standards and targets for key operational areas.

Information and reporting systems

Financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed, approved and monitored throughout the year by the Board. The Board and Committees regularly receive reports on Key Performance Indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

Monitoring arrangements

Regular management reporting on control issues provides assurance to management and to the Board. It is supplemented by regular internal audit reviews, which provides independent assurance to the Board via its Audit and Risk Committee. The arrangements include a procedure, monitored by that Committee, for tracking the progress of implementation of recommendations. If any issues arise, these are reported to the Board.

INTERNAL FINANCIAL CONTROLS

The Board bears responsibility for ensuring that the organisation operates a secure control environment. The controls serve to give reasonable assurance with regard to:

- the reliability of financial information used within the Group and for publication
- the maintenance of proper accounting records
- the safeguarding of assets against unauthorised use.

The Board is responsible for establishing and maintaining systems of internal financial control. Such systems cannot provide categorical assurance against material financial misstatements or loss, but can be expected to provide reasonable assurance.

Key elements in ensuring a secure environment include:

- the presence of formal policies and procedures
- clear delegation of authority
- a suitable level of experienced and suitably qualified employees
- proper performance appraisal the preparation and monitoring of forecasts and budgets including stress testing and identifying mitigations
- suitable authorisation of major commitments which might put the Group at risk
- a robust and independent internal audit service, reporting appropriately to members, with suitable follow up mechanisms in place.

The Audit and Risk Committee has reviewed the effectiveness of the system of internal control in the Group for the year ended 31 March 2026. No weaknesses were found in internal financial controls, which resulted in

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

material losses, contingencies, or uncertainties, which require disclosure in the financial statements, or in the auditors' report on the financial statements, and the Board is not aware of any such weaknesses from 1 April 2025 to date.

GOING CONCERN

After making enquiries, the Board has a reasonable expectation that Barcud has adequate resources to continue in operational existence for the foreseeable future; being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

STATEMENT OF BOARD OF MANAGEMENT RESPONSIBILITIES

The Board is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. The Co-operative and Community Benefit Societies Act 2014 and Registered Social Landlord 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 Barcud and of the income and expenditure of Barcud for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards and the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that Barcud 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 Barcud and enable it to ensure that the financial statements comply with the relevant legislation. The Board is also responsible for maintaining an adequate system of internal control and safeguarding the assets of Barcud and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITOR

At the date of making this report each of the Barcud Board members, as set out on pages 10-13, confirm the following:

- so far as each Board member is aware, there is no relevant information needed by the Barcud Auditor in connection with preparing their report of which the auditor is unaware, and each Board member has taken all the steps that they ought to have taken as a Board member in order to make themselves aware of any relevant information needed by the Barcud auditor in connection with preparing their report and to establish that Barcud auditor is aware of that information.

Approved on 29 July 2026 and signed on its behalf by:

Alison Thorne

Chair of the Board of Management

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Barcud Board

Alison Thorne

Chair of the Barcud Board

Alison is an experienced Non-Executive Director and Chair, having chaired a wide range of committees and currently Chairs the National Dance Company of Wales and previously Chaired Chwarae Teg. She is currently the Senior Independent Board member for the WRU and builds on her equality work as the Wales Lead for Women on Boards and as an Independent Panel Member for Public Appointments for the Welsh Government.

Kaye Law

Chair of Governance and Remuneration Committee
Senior Independent Director

Kaye is an experienced Chair with over 20 years in public sector executive and senior management roles. Her governance expertise in delivering complex national and regional change programmes in regulated sectors, and Board roles in the social housing sector since 2003, led to her appointment as Senior Independent Director and Chair of Barcud's Governance and Remuneration Committee.

Kaye also Chairs Gloucestershire Managed Services, the wholly owned subsidiary estates, facilities and capital delivery company of Gloucestershire Hospitals NHS Foundation Trust and is an Associate Non-Executive Director of the Trust.

Bunmi Ajayi-Obanewa

Bunmi has an MBA and over 18 years of experience across taxation, compliance, risk management, social welfare and IT. She qualified as a barrister and solicitor in Nigeria, specialising in International Taxation. She works as a Data protection officer in Hafod Housing and is a Board Director for United Welsh and for YMCA Cardiff. Bunmi is passionate about equality, diversity and data protection.

Carina Roberts

Member of the Care and Repair Powys Board
Member of the Projects and Performance Committee

Carina has over 30 years' experience of leading in the housing sector, and experience in partnership working with public and private sector organisations. Carina's knowledge of social housing and extra care provision are a valuable addition to the Projects and Performance Committee and the Care and Repair in Powys Board. Carina is a fluent Welsh speaker.

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Carys James

Co-optee
Appointed 31st July 2025
Member of Audit and Risk Committee
Member of The Care Society Board

Carys is a former Director of Social Services with over 39 years' experience in social care, both in Children & Adult services. She is Ceredigion born and bred and continues to live in the county. Carys has extensive experience of multi-agency working and is committed to strengthening partnership working. A first language Welsh speaker, Carys is a Registered Social Worker and currently works as an Independent Social Work Consultant. Carys is a Member of the National Independent Safeguarding Board (Wales) and a Panel Member for Social Care Wales.

Carys worked in Ceredigion for most of her career and established strong working relationships with colleagues across Carmarthenshire, Pembrokeshire and Powys. Carys also has previous Board Member experience having served on the Boards of Cymdeithas Tai Dyffryn Teifi and Cantref in the past.

Claire Townson

Board Member
Appointed 31st July 2025
Member of Governance and Remuneration Committee

Claire is the Chief Executive of Broadacres Housing Association in North Yorkshire.

As a Member of the Chartered Institute of Personnel and Development, Claire has over thirty years of human resources and organisational development experience in the commercial and charitable sectors.

Dafydd Lewis

Member of the Projects and Performance Committee
Member of the Care and Repair in Powys Board

Dafydd is a former Corporate Director for Gwynedd Council having had responsibility for housing, adult social care, health & well-being and community safety partnerships. Dafydd brings his skills to the Projects and Performance Committee and Care and Repair in Powys Board. Dafydd is a fluent Welsh speaker.

David Hall

Member of the EOM Board
Member of the Audit and Risk Committee

David is the Executive Director of Investment and Growth at Housing Plus Group. With nearly 30 years' experience in social housing in the delivery of asset management, property health and safety, property retrofit, procurement, and housing development, and sitting on the both the CIH Asset Management and the NHF Building Safety Groups. David's skills are a valuable addition to the Audit and Risk Committee and the EOM Board.

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Enid Roberts

Chair of the Projects and Performance Committee
Member of the Governance and Remuneration Committee

Enid is a self-employed Management Consultant with experience of working in Local Government on ICT and Project Management. Enid is a Chartered Fellow of the Chartered Management Institute and the British Computer Society. Enid's project management and data analysis skills are well suited to her roles as Chair of the Projects and Performance Committee, member of the Governance and Remuneration Committee and Audit and Risk Committee. Enid is a fluent Welsh speaker.

Ian Chaffey

Co-optee
Appointed 31st July 2025

Ian is a Senior Director of Professional Services with strategic leadership experience across the housing, public, and commercial services sectors. He has delivered complex programmes in client advocacy, operational transformation, and major IT and digital initiatives that have strengthened service delivery and organisational resilience. Ian has a proven track record of building high-performing teams following mergers and acquisitions. He currently serves on the management committee of a provision supporting children with additional learning needs, is studying for an MBA in Technology Management, and brings strong governance expertise and a long-standing commitment to communities across Wales.

John Rees

Chair of the Audit and Performance Committee
Vice Chair of the Care Society Board
Member of Projects and Performance Committee

John is Head of Finance at Plymouth Community Homes and a Chartered Certified Accountant. John's financial and risk management experience within the social housing sector led to his appointments as Chair of the Audit and Risk Committee and Vice Chair of The Care Society Board. John is an active Welsh learner with links to the Ceredigion area.

Mererid Boswell

Member of the Audit and Risk Committee
Member of the Governance and Remuneration Committee
Member of the EOM Board

Mererid is the Head of Finance and Corporate Services at the National Library of Wales. As a chartered accountant with experience of finance in the charity and public sector, Mererid's financial skills are well utilised as a member of the Audit and Risk Committee and EOM Board. Mererid is a fluent Welsh speaker.

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Richard Woolley

Member of the Projects and Performance Committee
Member of the Care Society Board

Richard is a Chartered Certified Accountant and former Chief Executive of Connexus Homes. He has over 30 years' experience in the social housing sector at organisations including both large-scale voluntary transfers and traditional housing associations in roles such as Director of Resources and Group Chief Accountant as well as a Chief Executive for almost five years. With a strong finance, governance and strategic housing background, Richard is a valued member of both the Projects and Performance Committee and The Care Society Board, in addition to his Group Board member role.

Siobhan Johnson

Resigned 30th April 2025
Member of Governance and Remuneration Committee

Siobhan is a Senior Human Resources and organisational development professional and is a Chartered Member of the CIPD and with over 15 years' experience working in and alongside the housing sector in Wales and England, Siobhan's human resources and cultural change skills, together with her passion for equality, diversity and inclusion are well suited to her roles on the Governance and Remuneration and Audit and Risk Committees.

Wyn Jones

Member of the EOM Board
Member of the Projects and Performance Committee

Wyn is a Fellow of the Royal Institution of Chartered Surveyors, Member of the Chartered Institute of Arbitrators and a Member of the Expert Witness Institute. He is also an experienced developer and an RICS registered Expert Witness, Accredited Valuer, Arbitrator, and Independent Expert. Wyn also holds office as a Chair of the First-tier Tribunal Property Chamber, Government appointed Chair on the Welsh Valuation Tribunal and Lord Chancellor's appointed member of both English and Welsh Agricultural Land Tribunals. Wyn's skills are well suited to his roles on the Projects and Performance Committee and EOM Board.

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Governance

Barcud uses the sector's Code of Governance as guidance, which focuses on seven principles;

1. Organisational Purpose
The board is clear about the organisation's aims and ensures that these are being delivered effectively and sustainably.

2. Leadership
Every organisation is led by an effective board that provides strategic leadership in line with the organisation's aims and values.

3. Integrity
The board acts with integrity. It adopts values, applies ethical principle to decisions and creates a welcoming and supportive culture which helps achieve the organisation's purposes. The board is aware of the significance of the public's confidence and trust in the organisation. It reflects the organisation's ethics and values in everything it does. Board members undertake their duties with this in mind.

4. Decision Making, Risk and Control
The board makes sure that its decision-making processes are informed, rigorous and timely, and that effective delegation, control, risk assessment and management systems are set up and monitored. The needs and safety of the organisation's current and future tenants, and others that it serves, are placed at the heart of decision-making.

5. Board Effectiveness
The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

6. Equality, Diversity and Inclusion
The board has a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the organisation and in its own practice. This approach supports good governance and the delivery of the organisation's purposes.

7. Openness and Accountability
The board leads the organisation in being transparent and accountable. The organisation is open in its work, unless there is good reason for it not to be.
Good governance enables and supports an organisation's compliance with relevant legislation and regulation. It also promotes attitudes and a culture where everything works towards fulfilling the organisation's vision.
The Board leads on governance, but good governance involves the whole organisation from top to bottom.
Barcud has assessed itself against the Code and is comfortable it applies the seven principles throughout the organisation.

Barcud received its regulatory judgement from Welsh Government in July 2022. The judgement stated:

Governance and Tenant Services - Compliant
The Association meets the regulatory standards and will receive routine regulatory oversight.

Financial Viability - Compliant
The Association meets the regulatory standards and will receive routine regulatory oversight.

BOARD ASSURANCE
Financial Information
Welsh Government Regulatory Framework
Projects and Performance Committee
Governance and Remuneration Committee
Policies and Procedures
Audit and Risk Committee
Strategic Planning
Tenant Scrutiny
Operational Management

FUNDERS ASSURANCE
30 Year Financial Plan and Stress Testing
Annual Review Meeting
Quarterly Management Accounts
Covenant Compliance Certification

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Value for Money

Barcud Group is committed to providing high-quality, affordable housing and services in a way that is financially sustainable, socially impactful and environmentally responsible. As a not for profit group with a Parent Housing Association serving communities across Mid and West Wales, we recognise that it's not simply about reducing costs, it's about making every pound count for the people and places we serve.

Our strategy is built around the principles of Economy, Efficiency and Effectiveness, with an additional focus on Equity, ensuring that we procure wisely, operate efficiently and achieve meaningful outcomes for tenants and communities. We will embed VfM in all areas of our organisation – from asset management and repairs to community investment and digital transformation.

We will measure success not only through financial metrics but also through tenant and customer satisfaction, service quality and social value. Our approach aligns with Welsh Government's regulatory expectations as per Regulatory Standard 6:

> **The organisation has a strategic approach to value for money which informs all its plans and activities**
>
> » *It determines its strategic approach to value for money and can demonstrate that it achieves value for money in delivering its strategy and services to stakeholders, including tenants*

Four key strategic VfM themes run throughout this strategy:

Maximising Social Impact

Ensure that every pound spent, contributes to better homes and services, stronger communities and improved well-being.

Ensuring Financial Sustainability

Maintain a strong financial foundation so the Group can continue to invest in existing and new homes, services and innovation over the long term.

Driving Operational Efficiency

Streamline processes, reduce waste and improve service delivery, so tenants and communities get more value and better outcomes.

Demonstrating Accountability

Show stakeholders, tenants and service users that the Group is using public and private funds responsibly and transparently.

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Financial Review

For Barcud Housing Association only.

Barcud reported a surplus of £8.1m for the year ended 31 March 2026 on a total turnover of £33.8m. An operating margin of 24% was achieved.

The results for the period and for 2024/2025 is summarised in the table below:

Financial Highlights – Two Year Summary		
For the year ended 31 March	**2026**	**2025**
Statement of Comprehensive Income	**£'000**	**£'000**
Total Turnover	33,839	31,509
Income from Social Housing Lettings	32,190	30,179
Depreciation	6,844	6,549
Amortisation	1,568	1,329
Interest payable	4,123	3,289
Operating Surplus	8,114	5,838
Statement of Financial Position	**£'000**	**£'000**
Fixed assets, at depreciated cost	332,175	304,024
Social Housing and other grants	155,567	150,171
Net Assets	43,021	38,513
Long term loans	126,280	102,294
Total reserves	**43,021**	**38,513**

Financial Risks

Barcud's activities expose it to a number of financial risks.

Cashflow Risk

One of the main risks is the possibility of interest rate changes. As at 31st March 2026, Barcud had 80% of its loan liabilities on a fixed interest rate. Another risk is the loss of income because of the cost of living crisis, differential inflation and changing of the rent setting policy. Loss of the Welsh Government £1.6m gap funding is also a risk, although it is guaranteed on a rolling two-year basis. There are internal controls in place such as regular stress testing and mitigation work on the business plan and prudency when setting budgets.

Credit Risk

Barcud's principal assets are bank balances and cash, rent arrears and other receivables. The amounts presented in the Statement of Financial Position are net of allowances for bad debts. The association fully provides for former tenant arrears except where recovery is assessed as likely. Provision against current tenant arrears is based on the aged profile of the amounts due. There is no significant concentration of credit risk, with exposure spread over a large number of counterparties and tenants.

Liquidity Risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, Barcud uses a mixture of long term and short-term finance. Barcud has sufficient liquidity for the next 2 years as a minimum.

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Environmental, Social and Governance

ESG Targets 2025/26

Through our annual ESG report, we demonstrate our environmental responsibility, how our activities have a positive impact on people in our communities, as well as a robust governance framework.

During 2025/26, Barcud had two loan facilities that had ESG targets linked to the level of margin on the loans.

These set the following ESG requirements.

Environmental KPI 1 - the average Standard Assessment Procedure (SAP) rating of Barcud's housing properties for the immediately preceding Financial Year.
Target – SAP 71.8
Achieved – SAP 74.2

Environmental KPI 2 - the minimum Standard Assessment Procedure (SAP) rating for Barcud's new-build housing properties during the immediately preceding Financial Year.
Target – SAP 91
Achieved – SAP 93.4

KPI 3 - 82% of a designated pool of existing properties will achieve an EPC-C (SAP 69 and above) rating by end of the financial year 2028.

Currently 73.6% of our affordable homes meet this target.

Social KPI 1 - the percentage number of Barcud's void properties offered on social housing rents to rough sleepers, homeless people and/or people at risk of homelessness during the immediately preceding Financial Year.
Target – 15%
Achieved – 40%

Governance KPI 1 - means Barcud's Governance rating with the Welsh Government.
Target – Compliant
Achieved – Compliant

Independent Auditor's Report to the Members of Barcud cyf

Opinion

We have audited the financial statements of Barcud Cyf (the parent association) and its subsidiaries (the group) for the year ended 31 March 2026 which comprise the group and parent association's Statement of Comprehensive Income, the group and parent association's Statement of Financial Position, the group and parent association's Statement of Changes in Reserves, the group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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 and parent association's affairs as at 31 March 2026 and of the group and parent association's surplus for the year then ended;

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of 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 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 and parent association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have reviewed the Board's statement on the association's compliance with the Welsh Government circular RSL 02/10 'Internal controls and reporting'. We are not required to express an opinion on the effectiveness of the association's system of internal control.

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 other matters prescribed by the Welsh Government circular RSL 02/10 'Internal controls and reporting'

In our opinion, based on the work undertaken in the course of the audit with respect to the Board's statement on internal control:

- the Board has provided the disclosures required by the Welsh Government circular RSL 02/10 'Internal controls and reporting'; and
- the statement is not inconsistent

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

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 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 books of account; or
- a satisfactory system of control over transactions has not been maintained; or
- the 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 9, 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 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 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard.

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.

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

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

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

- We obtained an understanding of laws and regulations that affect the group and parent association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act,

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015, tax legislation, health and safety legislation, and employment legislation.

- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- 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.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of the audit 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 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. 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.

Signed by:

Menzies LLP

DBC7679AF0DF489...

Menzies LLP, Statutory Auditor

The Colmore Building

20 Colmore Circus Queensway

Birmingham

B4 6AT

09-Sep-2026

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Group and Association Statement of Comprehensive Income

For the year ended 31 March 2026

	Note	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
TURNOVER	2a	36,710	34,269	33,839	31,509
Less: Operating costs	2a	(29,273)	(28,237)	(26,189)	(25,873)
: Cost of Sales		-	-	-	-
Surplus on disposal of housing properties	3	464	202	464	202
OPERATING SURPLUS	2a	7,901	6,234	8,114	5,838
Gift Aid		-	-	265	124
Interest receivable		61	372	45	352
Interest and financing costs	7	(4,123)	(3,289)	(4,123)	(3,289)
SURPLUS FOR THE YEAR	4	3,839	3,317	4,300	3,025
Tax on profit		(22)	(25)	-	-
SURPLUS FOR THE YEAR AFTER TAX		3,817	3,292	4,300	3,025
Actuarial gains/(losses) on pension scheme	22	(63)	(142)	(63)	(142)
Property revaluation		-	14	270	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,753	3,164	4,506	2,883

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Group and Association Statement of Financial Position

As at 31 March 2026

	Note	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
FIXED ASSETS					
Intangible Assets	8	922	373	922	373
Housing properties - Gross cost less depreciation	9	322,945	295,642	322,945	295,642
Other property, plant and equipment	10	7,647	7,348	6,553	6,260
Investment property		-	270	-	-
Investments	11	745	738	1,756	1,749
		332,258	304,371	332,175	304,024
CURRENT ASSETS					
Inventories	12	235	245	42	34
Properties for sale	13	1,850	1,508	1,850	1,508
Debtors	14	14,708	13,690	14,010	13,248
Cash and cash equivalents		2,591	4,815	1,527	2,816
		19,384	20,258	17,431	17,606
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	(57,790)	(48,380)	(57,982)	(48,366)
NET CURRENT LIABILITIES		(38,406)	(28,122)	(40,552)	(30,760)
TOTAL ASSETS LESS CURRENT LIABILITIES		293,852	276,249	291,623	273,264
Pension asset/(liability)	19	-	-	-	-
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	16	(248,605)	(234,756)	(248,605)	(234,751)
NET ASSETS		45,247	41,493	43,021	38,513
CAPITAL AND RESERVES					
Non-equity share capital	17	-	-	-	-
Revaluation Reserve		-	-	270	-
Revenue Reserves		45,247	41,493	42,750	38,513
		45,247	41,493	43,021	38,513

The financial statements on pages 21 to 50 were approved by the Board on 29th July 2026 and were signed on its behalf by:

Alison Thorne
Chair

John Rees
Board Member

Kate Curran
Group Director of Finance, Governance & Investment

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Group and Association Statement of Changes in Reserves

For the year ended 31 March 2026

Group Statement of Changes in Reserves

	Revenue reserves £'000
At 1 April 2024	38,329
Surplus for the year	3,292
Actuarial loss in respect of pension schemes	(142)
Surplus on the revaluations of Freehold Property	14
At 31 March 2025	41,493
At 1 April 2025	41,493
Surplus for the year	3,817
Actuarial loss in respect of pension schemes	(63)
Surplus on the revaluations of Freehold Property	-
At 31 March 2026	45,247

Association Statement of Changes in Reserves

	Revenue reserves £'000
At 1 April 2024	38,513
Surplus for the year	3,025
Actuarial gain in respect of pension schemes	(142)
Surplus on the revaluations of Freehold Property	-
At 31 March 2025	38,513
At 1 April 2025	38,513
Surplus for the year	4,300
Revaluation Reserve	270
Actuarial gain/(loss) in respect of pension schemes	(63)
At 31 March 2026	43,021

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Group Statement of Cash Flows

For the year ended 31 March 2026

	2026 £'000	2025 £'000
Net cash generated from operating activities	11,347	11,941
Cashflows from investing activities		
Purchase of property, plant and equipment	(37,296)	(38,574)
Disposals of property, plant and equipment	106	395
Proceeds from sale of property, plant and equipment (net)	2,086	1,349
Grants received	10,047	6,797
Interest received	72	384
Net cashflows from investing activities	(24,985)	(29,649)
Cashflows from financing activities		
Finance costs paid	(4,123)	(3,411)
New loans	17,000	8,000
Repayment of borrowings	(1,000)	(853)
Net cashflows from financing activities	11,877	3,736
Net increase/(decrease) in cash and cash equivalents	(1,762)	(13,973)
Cash and cash equivalents at the beginning of the period	4,815	18,788
Cash and cash equivalents at the end of the period	3,052	4,815

	2026 £'000	2025 £'000
Cashflow from operating activities		
Surplus/(Deficit) for the year	7,901	6,215
Adjustment for non cash items:		
Depreciation of property, plant and equipment	7,484	6,691
Amortisation of government grants	(1,568)	(1,341)
Decrease/(increase) in inventories	10	36
Decrease/(increase) in debtors	(2,442)	(135)
Profit from sale of property, plant and equipment	(492)	(202)
Increase/(decrease) in creditors	216	677
Pension interest on asset ceiling	238	-
Cash generated by operations	11,347	11,941

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Group Statement of Cash Flows

For the year ended 31 March 2026

Free cash flow for the year

	2026 £'000	2025 £'000
Net cash generated from operating activities	11,347	11,941
Interest paid	(4,123)	(3,411)
Interest received	72	384
Adjustment for reinvestment in existing properties		
Component replacements	(5,377)	(5,666)
Purchase of other replacement fixed assets	(922)	(283)
Free cash generated before loan repayments	996	2,965
Loans repaid (excluding revolving credit and overdrafts)	(1,000)	(853)
Free cash generated after loan repayments	4	(2,112)

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Notes to the Financial Statements

For the year ended 31 March 2026

1. ACCOUNTING POLICIES

Barcud is registered under the Co-operative and Community Benefit Societies Act 2014 and is a Registered Social Landlord, which has adopted charitable rules.

Barcud Cyf is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

(a) Accounting convention

The financial statements are prepared under the historical cost convention, in accordance with the 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.

(b) Basis of consolidation

The group financial statements comprise of the combined results of Barcud Cyf and its subsidiaries.

(c) Going concern

Barcud Group's financial statements are prepared on a going concern basis.

An assessment of going concern is made, by the Board, as part of the preparation of the annual Financial Statements, to confirm that the use of this basis is still appropriate. Disclosure of any relevant events or conditions which might significantly impact on this decision and the plans to deal with them as required are included in these Financial Statements.

(d) Turnover

Turnover represents rental and other income receivable (net of losses from voids), income from property sales, and revenue grants receivable. It also includes grants reimbursing specific expenditure on the improvement programme.

Rental income is recognised from the point of properties under development reaching practical completion or otherwise becoming available for letting, net of any voids.

Turnover in EOM Ltd for maintenance works is recognised when significant risks and rewards of ownership have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be or to be incurred in respect of the transaction can be measured reliably. This is usually on completion of work.

(e) Gift Aid

Any surpluses in the trading entity are gift aided to the parent at the discretion of the Board.

(f) Property, plant and equipment - housing properties

Housing properties are stated at cost, less accumulated depreciation and accumulated impairment losses.

Investment properties

The classification of properties as investment property or housing is based on the intended use of the property. Properties held to earn commercial rentals or for capital appreciation are both classified as investment properties. Properties that are used for administrative purposes or held for the provision of social housing are treated as Housing Properties. Mixed use property is separated between investment property and housing property.

Depreciation

i. ***Freehold land*** is not depreciated.

ii. ***Intangible assets*** are stated at historic cost or valuation, less accumulated amortisation and any provision for impairment. Amortisation is provided on all Intangible assets at rates calculated to write off the cost or valuation of

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

each asset on a straight-line basis over its expected useful life, as follows:

Computer software	5 years

iii. Housing properties

Buildings are separated into major components which have substantially different economic useful lives.

The major components other than the residual property element are depreciated over the following lives:

Component	Lifecycle
Structure (including timber framed buildings)	100 years
Roof – pitched / concrete	60 years
Roof – other	20 years
Insulation	30 years
Windows and doors	30 years
Electrical rewire	30 years
Lift	25 years
Bathroom	25 years
Kitchen	20 years
Heating systems	30 years
Central heating boilers	20 years
Physical adaption equipment	25 years
Play equipment	15 years

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

iv. Other fixed assets

The principal lives used for other assets are:

Component	Lifecycle
Freehold properties	50 years
Commercial properties	50 years
Office Improvements	5 years
ICT Hardware	5 years
Motor Vehicles/Other	5 years

v. Investment properties

Investment properties are measured at fair value annually with any change recognised in the consolidated Statement of Comprehensive Income.

vi. Impairment

Reviews for impairment of housing properties are carried out on an annual basis or if an indication of impairment exists, any impairment in an income generating unit (such as tenanted rented property) is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use. Barcud checks annually for any indication of impairment by reference to:

- Trends in void rates and letting of stock;
- Advice from external valuers regarding their expectations of the value of stock.

Impairment reviews are carried out on the investment properties as noted in vi.

(h) Inventories

Inventories are stated at the lower of their cost or net realisable value.

(i) Taxation

Value Added Tax (VAT)

All income is shown net of VAT and expenditure is shown inclusive of irrecoverable VAT. The sale of newly constructed properties (or the first transfer of major interest in any property) is within the scope of VAT, albeit at 0%.

Barcud has a VAT Shelter in place, for the properties transferred to Tai Ceredigion from Ceredigion County Council approved by HMRC. The VAT Shelter has an unlimited lifespan for the first cycle works to be completed on the properties included in the transfer.

Corporate Tax

Barcud and its subsidiaries, Care & Repair in Powys and Cymdeithas Gofal (The Care Society) are not generally liable for Corporation Tax due to their charitable status. However, if the non-charitable activities threshold for Corporation Tax is reached, Corporation Tax will become liable.

EOM Limited does not have charitable status and so the following is required:

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(j) Pension Costs

Defined benefit schemes are funded, with the assets of the scheme held separately from those of Barcud, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date.

(k) Social Housing Grant and other Government Grants

Government grants are recognised using the accrual method and are classified either as a grant relating to revenue or a grant relating to assets.

Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

Grants received for housing properties are recognised in income over the expected useful life of the housing property structure.

Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants received from non-government sources are recognised as revenue using the performance model set out in FRS 102.

(l) 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 period payment term is recognised as a capital grant and a deferred debtor.

(m) Donation or acquisition of land or other asset at below market value

Where a donation of land and/or other assets is received or land and/or other assets are acquired at below market value from a government source, this is accounted for as a non-monetary government grant. The difference between the fair value of the asset donated or acquired and the consideration paid for the asset is recognised as a government grant and included in the consolidated Statement of Financial Position as a liability.

Where a donation of land and/or other assets is received or acquisitions of land and/or other assets at below market value from a third party that does not meet the definition of a government source the transaction is recognised as an asset in the consolidated Statement of Financial Position at fair value, taking account of any restrictions on the use of the asset. Income equivalent to the difference between any amounts paid or payable for the asset and the fair value of the asset is recognised in the consolidated Statement of Comprehensive Income as a donation when the future performance-related conditions are met.

(n) Recycling of Grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the consolidated Statement of

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

Financial Position to recognise this obligation as a liability.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the consolidated Statement of Financial position related to this asset is derecognised as a liability and recognised as revenue in surplus or deficit in the consolidated Statement of Comprehensive Income.

(o) Interest Payable

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 the financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition.

(p) Service charges, sinking funds and service costs

Barcud operates variable service charges reflecting the requirements of the respective tenancy and lease agreements. Un-utilised contributions to service charge sinking funds and over-recovery of service costs which are repayable to tenants or leaseholders or are intended to be reflected in reductions to future service charge contributions are recognised as a liability in the consolidated Statement of Financial Position. The amount included in liabilities in respect of service charge sinking funds includes interest credited to the fund. Where there has been an under-recovery of leaseholders' or tenants' variable service charges and recovery of the outstanding balance is virtually certain, the balance is recognised in the consolidated Statement of Financial Position as a trade receivable. Debit and credit balances on individual schemes are not aggregated as there is no right of set-off.

(q) Financial Instruments

Financial assets and financial liabilities are recognised when Barcud becomes a party to the contractual provisions of the instrument.

Financial liabilities carried at amortised cost

a. Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income.
b. A financial liability is de-recognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

(r) Cash and cash equivalents

Cash and cash equivalents are defined as:

- Cash on hand (physical currency held)
- Demand deposits
- Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

2. SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, 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

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

judgements about carrying value 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.

Significant management judgements

The following are management judgements in applying the accounting policies of the Association that have the most significant effect on the amounts recognised in the financial statements.

Going Concern

An assessment of going concern is made, by the Board, as part of the preparation of the annual Financial Statements, to confirm that the use of this basis is still appropriate. Disclosure of any relevant events or conditions which might significantly impact on this decision and the plans to deal with them as required are included in these Financial Statements.

Capitalisation of property development costs

The group capitalises development expenditure in accordance with the accounting policy on housing properties. Judgement is exercised over the likelihood that projects will continue.

Key sources of estimation uncertainty

The group 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.

Provisions

Provision is made for certain liabilities and for rent arrears that are considered uncollectable. The provisions require managements best estimation of costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discounted rates used to establish the net present value of the obligations require management's judgement.

Defined benefit pension scheme

The group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depends on a number of factors including life expectancy, salary increases and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. Variations from these assumptions could significantly impact the liability.

Components of housing properties and useful lives

Major components of housing properties have significantly different patterns of consumption of economic benefits and estimates are made to allocate the initial cost of the property to its major components and to depreciate each component over its useful economic life. The group considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

Impairment

The group carries out impairment reviews annually on commercial properties. When an indicator of impairment is identified, impairment losses on non-revalued assets are recognised immediately in profit or loss. Impairment losses on revalued assets are treated as revaluation decreases and are recognised: - in other comprehensive income to the extent of any previously recognised revaluation gain accumulated in equity; - otherwise in profit or loss.

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

2a TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

Group	2026 Turnover £'000	2026 Operating Costs £'000	2026 Operating Surplus £'000	2025 Turnover £'000	2025 Operating Costs £'000	2025 Operating Surplus £'000
Social housing lettings (Note 2b)	32,190	(26,050)	6,140	30,179	(25,413)	4,766
Other social housing activities						
Garages	261	(11)	250	236	-	236
Other grants	224	-	224	221	-	221
Donations	4	-	4	14	-	14
Promotion of social inclusion	2,458	(2,541)	(83)	2,545	(2,288)	257
Trading activities	111	(87)	24	100	(98)	2
Other	895	(5)	890	385	-	385
Other revenue grants	-	-	-	-	-	-
Non-social housing activities						
Market rented properties	141	(6)	135	128	(16)	112
Medra services	339	(451)	(112)	363	(321)	42
Commercial income	87	(122)	(35)	98	(101)	(3)
	36,710	(29,273)	7,437	34,269	(28,237)	6,032
Surplus on disposal of Housing Properties			464			202
Operating Surplus			7,901			6,234

Association	2026 Turnover £'000	2026 Operating Costs £'000	2026 Operating Surplus £'000	2025 Turnover £'000	2025 Operating Costs £'000	2025 Operating Surplus £'000
Social housing lettings (Note 2b)	32,190	(26,050)	6,140	30,179	(25,756)	4,423
Other social housing activities						
Garages	261	(11)	250	236	-	236
Recharges to other group companies	-	-	-	-	-	-
Other grants	224		224	221		221
Other revenue grants	-	-	-	-	-	-
Other	936	-	936	647	-	647
Non-social housing activities						
Market rented property	141	(6)	135	128	(16)	112
Commercial Income	87	(122)	(35)	98	(101)	(3)
	33,839	(26,189)	7,650	31,509	(25,873)	5,636
Surplus on disposal of Housing Properties			464			202
Operating Surplus			8,114			5,838

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

2b PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
INCOME				
Rent receivable	26,837	25,473	26,837	25,473
Service charge income	1,877	1,480	1,877	1,480
Grant amortisation	1,594	1,329	1,594	1,329
Grants taken to income	1,600	1,600	1,600	1,600
Supporting People	281	297	281	297
Turnover from social housing lettings	32,190	30,179	32,190	30,179
COST				
Management costs	(6,412)	(6,275)	(6,412)	(6,275)
Service charge costs	(1,625)	(1,441)	(1,625)	(1,441)
Routine maintenance	(6,770)	(7,314)	(6,770)	(7,314)
Planned maintenance	(879)	(1,093)	(879)	(1,093)
Bad debts	94	(170)	94	(170)
Depreciation	(7,028)	(6,549)	(7,028)	(6,549)
Other costs	(3,430)	(2,571)	(3,430)	(2,914)
Operating costs on social housing lettings	(26,050)	(25,413)	(26,050)	(25,756)
Operating surplus on social housing lettings	6,140	4,766	6,140	4,423
Rent loss due to voids (memorandum note)	428	549	428	549

3. SURPLUS ON DISPOSAL OF HOUSING PROPERTIES

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Proceeds of sale of properties	2,058	1,349	2,058	1,349
Cost of Sales	(1,585)	(1,086)	(1,585)	(1,086)
Disposal expenses	(9)	(61)	(9)	(61)
Surplus on disposals	464	202	464	202

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

4. SURPLUS FOR THE YEAR

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
The surplus for the year is stated after charging/(crediting):				
Depreciation	7,035	6,491	6,844	6,340
Amortisation of intangible assets	162	239	162	209
Amortisation of grant	(1,568)	(1,329)	(1,568)	(1,329)
External auditor's remuneration				
- in their capacity as auditors	53	46	37	31
- other	3	4	3	4

5. TAXATION

The Charitable activities of Barcud Cyf, Care & Repair in Powys and Cymdeithas Gofal (The Care Society) are exempt from taxation under Section 505 of the Income and Corporation Taxes Act 1988.
Barcud's wholly owned subsidiary EOM Ltd. is liable to U.K. Corporation Tax at normal rates.
Tax rate for the year is 25%.

	2026 £'000	2025 £'000
Profit before tax	**420**	**333**
Additions to Profit	156	123
Deductions from Profit	(247)	(250)
Adjusted Trading Profit / Loss	**330**	**206**
Investments and Other Profits	22	18
Trading losses b/f	-	-
Relief Claimed: Non-trade charges	(265)	(124)
Profits Chargeable to Corporation Tax	**86**	**100**
01/04/23 - 31/03/24 Rate	-	25%
01/04/24 - 31/03/25 Rate	25%	-
Gross Corporation Tax	**22**	**25**
Corporation Tax already (paid) / repaid	(-)	(-)
Corporation Tax Payable / (Repayable)	**22**	**25**

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

6a. EMPLOYEES

		Group 2026	Group 2025	Association 2026	Association 2025
Average monthly number of employees (inc Executive Directors) expressed as full-time equivalents					
Administration		23	22	12	14
Operational services	- Office based	106	116	87	96
	- Scheme managers and cleaners	17	17	17	17
	- Community repairs team	119	118	85	87
	- Charitable activities	30	39	-	-
		295	312	201	214

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Employee costs:				
Wages and salaries	10,263	10,187	7,381	7,515
Redundancy and settlement costs	46	-	46	-
Social security costs	1,213	931	891	708
Pension costs	867	888	724	756
Total	12,390	12,006	9,043	8,979

Full time equivalent number of colleagues who received emoluments including pension contributions in excess of £50,000 were:

Salary band	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
£50,000 - £59,999	18	13	14	8
£60,000 - £69,999	8	7	4	5
£70,000 - £79,999	3	6	3	6
£80,000 - £89,999	2	1	2	-
£90,000 - £99,999	2	2	1	2
£100,000 - £109,999	1	2	1	2
£110,000 - £119,999	2	1	2	1
£120,000 - £129,999	1	-	1	-
£130,000 - £139,999	-	2	-	2
£140,000 - £149,999	1	1	1	1
£150,000 - £159,999	1	-	1	-
£160,000 - £169,999	1	-	1	-

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

6b. KEY MANAGEMENT PERSONNEL REMUNERATION

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Wages and Salaries	1,334	1,405	1,334	1,405
Social Security Costs	167	164	167	164
Other Pension Costs	172	176	172	176
Other Benefits	-	5	-	5
Board Members				
Wages and Salaries	76	72	76	72
Social Security Costs	2	-	2	-
Other Pension Costs	-	-	-	-
Expenses	3	13	3	13
	1,754	1,835	1,754	1,835
Remuneration of the Group Chief Executive excluding pension contributions	135	113	135	113

The Group Chief Executive is an ordinary member of the Social Housng pension scheme and no enhanced or special terms apply.

7. INTEREST AND FINANCING COSTS

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Interest on loans - repayable by instalments in				
Less than 1 year	824	116	824	116
1-5 years	147	86	147	86
More than 5 years	3,518	3,617	3,518	3,617
Finance leases	1	1	1	1
Amortisation of deferred finance costs	82	16	82	16
Pension finance costs (see note 21)	(4)	(125)	(4)	(125)
Borrowing costs capitalisation	(448)	(428)	(448)	(428)
Other	4	6	4	6
	4,123	3,289	4,123	3,289

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

8. INTANGIBLE FIXED ASSETS – COMPUTER SOFTWARE

	Group £'000	Association £'000
COST		
At 1 April 2025	1,725	1,576
Additions	711	711
Disposals	-	-
At 31 March 2026	2,436	2,287
AMORTISATION		
At 1 April 2025	(1,352)	(1,203)
Charge in year	(162)	(162)
Disposals	-	-
At 31 March 2026	(1,514)	(1,365)
NET BOOK VALUE		
At 31 March 2026	922	922
At 31 March 2025	373	373

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

9. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES (GROUP AND ASSOCIATION)

	Housing Properties Completed £'000	Housing Properties Under Construction £'000	Shared Ownership £'000	Total £'000
COST				
At 1 April 2025	312,314	33,545	3,559	349,418
Additions	6,346	30,256	-	36,602
Disposals	(558)	-	(1,077)	(1,635)
Transfer to completed	21,343	(26,161)	4,818	-
Transfer to held for sale	-	-	(1,430)	(1,430)
At 31 March 2026	339,445	37,640	5,870	382,955
DEPRECIATION				
At 1 April 2025	53,769	-	6	53,775
Charge in year	6,469	-	-	6,469
Disposals	(234)	-	-	(234)
At 31 March 2026	60,004	-	6	60,010
NET BOOK VALUE				
At 31 March 2026	279,441	37,640	5,864	322,945
At 31 March 2025	258,544	33,545	3,553	295,642

Additions to completed properties held for letting

	2026 £'000	2025 £'000
Replacement of components	5,377	5,666
Purchase of existing properties	291	1,774
Developments	30,256	29,982
Improvements	678	283
	36,602	37,705
Charged to Statement of Comprehensive Income	6,067	8,407
Total expenditure on completed properties	42,669	46,112

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

10. OTHER PROPERTY, PLANT AND EQUIPMENT (GROUP)

COST	Freehold properties £'000	Leasehold properties £'000	Commercial properties £'000	Market rented properties £'000	Other £'000	Total £'000
At 1 April 2025	674	427	4,662	1,491	3,476	10,730
Additions	-	-	16	-	578	594
Transfer from Housing Properties (Note 9)	-	-	-	-	(20)	(20)
Disposal	-	-	-	-	-	-
Revaluation	-	-	-	270	-	270
At 31 March 2026	674	427	4,678	1,761	4,034	11,574
DEPRECIATION						
At 1 April 2025	80	167	690	-	2,221	3,158
Charge in year	14	7	77	-	468	566
Disposals	-	-	-	-	(20)	(20)
Revaluation	-	-	-	-	-	-
At 31 March 2026	94	174	767	-	2,669	3,704
IMPAIRMENT						
At 1 April 2025	-	-	223	-	-	223
Transfer	-	-	-	-	-	-
At 31 March 2026	-	-	223	-	-	223
NET BOOK VALUE						
At 31 March 2026	580	253	3,688	1,761	1,365	7,647
At 31 March 2025	594	260	3,748	1,491	1,255	7,348

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

10. OTHER PROPERTY, PLANT AND EQUIPMENT (ASSOCIATION)

	Leasehold properties	Commercial properties	Market Rented	Other	Total
COST	£'000	£'000	£'000	£'000	£'000
At 1 April 2025	427	4,662	1,491	2,624	9,204
Additions	-	16	-	382	398
Disposals	-	-	-	-	-
Transfer from Housing Properties	-	-	-	-	-
Revaluation	-	-	270	-	-
At 31 March 2026	427	4,678	1,761	3,006	9,872
DEPRECIATION					
At 1 April 2025	167	690	-	1,864	2,721
Charge in year	7	77	-	291	375
Disposals	-	-	-	-	-
At 31 March 2026	174	767	-	2,155	3,096
IMPAIRMENT					
At 1 April 2025	-	223	-	-	223
Charge in year	-	-	-	-	-
At 31 March 2026	-	223	-	-	223
NET BOOK VALUE					
At 31 March 2026	253	3,688	1,761	851	6,553
At 31 March 2025	260	3,748	1,491	761	6,260

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

11. FIXED ASSETS INVESTMENTS

Group

	2026 £'000	2025 £'000
Homebuy loans		
At 1 April	552	588
Repayment of loans	-	(36)
At 31 March	552	552
Monies on deposit	193	186
	745	738

Association

	2026 £'000	2025 £'000
Homebuy loans		
At 1 April	552	588
Repayment of loans	-	(36)
At 31 March	552	552
Monies on deposit	193	186
Investment in wholly owned subsidiary	1,011	1,011
	1,756	1,749

12. INVENTORIES

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Stock of materials	235	245	42	34

13. PROPERTIES FOR SALE

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Shared ownership	1,430	1,289	1,430	1,289
Properties for held sale	420	219	420	219
	1,850	1,508	1,850	1,508

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

14. DEBTORS

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Gross rent and service charge arrears	1,249	1,027	1,218	1,120
Less: provision for bad debts	(424)	(413)	(419)	(410)
Net rent arrears	825	614	799	710
Trade debtors	215	165	-	-
Housing Finance Grant	199	199	199	199
Sinking fund	200	101	200	101
Prepayments and accrued income	7,488	4,399	7,031	4,026
	8,927	5,478	8,229	5,036
Amounts falling due after more than one year:				
Housing Finance Grant	2,913	3,112	2,913	3,112
VAT Shelter agreement	2,868	4,775	2,868	4,775
Decarbonisation grant	-	325	-	325
	5,599	8,212	5,781	8,212
	14,708	13,690	14,010	13,248

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Trade creditors	2,577	1,649	3,211	1,878
Rent charges received in advance	621	642	621	642
Social Housing Grant received in advance	21,826	29,758	21,826	29,758
Government grants deferred income	1,594	1,484	1,594	1,483
Housing Finance Grant	199	199	199	199
Short term loan	25,000	8,000	25,000	8,000
Deferred income on bonds	304	238	304	238
Recycled capital grants	409	149	409	149
Finance leases	-	-	-	-
Other taxation and social security	98	51	(3)	-
Loans	24	1,020	24	1,020
Accruals and other creditor	5,030	5,116	4,896	4,999
Other	105	73	-	-
	57,790	48,380	57,982	48,366

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

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

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Loans due after more than one year	101,256	101,274	101,256	101,274
Social Housing Grant received in advance	6,692	4,965	6,692	4,965
Government grants – deferred income	133,677	119,366	133,677	119,361
Housing Finance Grant	2,913	3,112	2,913	3,112
Deferred income on bonds	1,171	1,237	1,171	1,237
Recycled capital grants	-	-	-	-
Finance leases	28	27	28	27
VAT shelter agreement	2,868	4,775	2,868	4,775
	248,605	234,756	248,605	234,751

Housing loans are secured by a charge on the total property stock owned by Barcud. Loans are secured by a fixed charge on the Association's land and buildings. They are repayable by instalments at both fixed and variable rates.

Debt Analysis - Housing Loans

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
One year or less	25,024	9,020	25,024	9,020
More than one and less than two years	26	20	26	20
More than two and less than five years	1,097	559	1,097	559
In more than five years	100,133	100,695	100,133	100,695
	126,280	110,294	126,280	110,294

Deferred Income - Government Grants

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
At 1 April	155,567	150,171	155,567	150,171
Grant receivable	10,053	6,751	10,047	6,745
Amortisation to Statement of Comprehensive Income	(1,568)	(1,326)	(1,568)	(1,326)
Transfer to Recycled Capital Grant	(260)	(23)	(260)	(23)
At 31 March	163,792	155,573	163,786	155,567
Due within one year	23,420	31,242	23,420	31,241
Due after one year	140,369	124,331	140,369	124,326

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

17. NON-EQUITY SHARE CAPITAL

	Group 2026	Group 2025	Association 2026	Association 2025
Shares at £1 each, allotted and issued				
As at 1 April 2025	129	116	115	116
Issued during the year	7	9	3	9
Surrendered	(36)	(10)	(36)	(10)
At 31 March 2026	100	115	82	115

18. CAPITAL COMMITMENTS

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Capital expenditure contracted but not provided for in the financial statements	10,536	20,949	10,536	20,949
Capital expenditure authorised by the Board but not contracted	30,160	18,139	30,160	18,139

The above commitments will be funded by existing bank facilities and Government grant.

19. OTHER FINANCIAL COMMITMENTS (GROUP)

	2026 Land and Buildings £'000	2026 Other £'000	2025 Land and Buildings £'000	2025 Other £'000
Other leases which expire:				
Within one year	20	12	19	-
Within one to five years	28	24	48	38
More than five years	-	-	-	-
	48	36	67	38

OTHER FINANCIAL COMMITMENTS (ASSOCIATION)

	2026 Land and Buildings £'000	2026 Other £'000	2025 Land and Buildings £'000	2025 Other £'000
Other leases which expire:				
Within one year	-	12	-	-
Within one to five years	-	24	-	38
	-	36	-	38

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

20. HOUSING STOCK (GROUP AND ASSOCIATION)

	2026 Number	2025 Number
Number of units in management as at 31 March		
Housing accommodation for letting:		
General housing	4,018	3,914
Rent to Own	50	52
Sheltered housing	332	332
Intermediate Rents	72	71
Market Rent	21	20
Total rented	4,493	4,389
Other units		
Right-to-buy leases	174	175
Shared ownership	55	34
Garages	587	594
To be sold	5	4
Homebuy	17	17
Freeholders with services	98	96

21. FINANCIAL INSTRUMENTS

The carrying value of the Group's financial assets and liabilities are summarised by category below:

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Financial Assets				
Measured at discounted amount receivable				
Rent arrears financing transactions (see note 14)	825	614	799	710
Financial Liabilities				
Measured at amortised cost				
Loans payable (see note 15)	24	1,020	24	1,020
Measured at undiscounted amount payable				
Trade and other creditors (see note 15)	2,577	1,649	3,112	1,878
	2,601	2,669	3,316	2,898

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

22. PENSION SCHEME

Barcud is a contributing member of the Dyfed Pension Fund, a local government pension scheme which is a multi-employer scheme where it is possible for individual employers as admitted bodies to identify their share of the assets and liabilities of the pension scheme. This scheme is closed to new entrants.

The following information has been received from the Fund's actuaries.

For the year commencing 1 April 2025 the employer contributions were 22.3% of pensionable pay. The budgeted Current Service Cost for the year commencing 1 April 2026 is approximately 13.4% of pensionable salaries which is expected to result in an approximate service cost of £175,000.

Statement of Financial Position items as at 31 March

	2026 £'000	2025 £'000
Present value of funded benefit obligations	11,076	11,107
Present value of unfunded benefit obligations	-	-
Total present value of benefit obligations	11,076	11,107
Fair value of plan assets	(15,406)	(15,203)
Unrecognised asset	4,330	4,096
Deficit	-	-

Components of pension cost for year to 31 March

Current Service Cost	112	165
Interest on Pension Liabilities	(242)	(125)
Interest on Asset Ceiling	238	120
Administration Expenses	4	3
Past service cost (gain)	-	-
Effect of Curtailments or Settlements	-	-
Effect of asset ceiling	-	-
Total pension cost recognised in SOCI	112	163

Statement of other comprehensive income

Re-measurements (liabilities & assets)	67	(1,497)
Effect of asset ceiling*	(4)	1,519
Total re-measurements included in the SOCI	63	(22)

* The asset in 2025 and 2026 was restricted to comply with FRS 102 paragraph 28. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. This criteria was not considered to be met, therefore, an asset was not recognised.

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

22. PENSION SCHEME (CONTINUED)

Additional disclosure items

	Assets at 31 March 2026		Assets at 31 March 2025	
	£'000	%	£'000	%
Equities	-	0.0	11,022	72.5
Government bonds	-	0.0	-	0.0
Other bonds	-	0.0	1,399	9.2
Property	-	0.0	1,581	10.4
Cash/liquidity	-	0.0	137	0.9
Other	15,406	100.0	1,064	7.0
Total	15,406		15,203	

Change in benefit obligation during year to 31 March 2026

	2026 £'000	2025 £'000	
Benefit obligation at beginning of year	11,107	12,895	
Current service cost	112	165	(13.9% of pay plus interest)
Interest on pension liabilities	635	615	
Member contributions	61	63	
Past service cost	-	-	
Re-measurement (liabilities)			
Experience (gain)/loss	(155)	-	(1.4% of period end liabilities)
(Gain)/loss on assumptions	(154)	(1,850)	(1.4% of period end liabilities)
(Gain)/loss on demographic assumptions	(134)	(27)	(1.2% of period end liabilities)
Curtailments	-	-	
Settlements	-	-	
Benefits/transfers paid	(396)	(754)	
Business combinations	-	-	
Benefit obligation at end of year	11,076	11,107	

Change in plan assets during year to 31 March 2026

	2026 £'000	2025 £'000	
Fair value of plan assets at beginning of year	15,203	15,352	
Expected return on plan assets	877	740	
Re-measurement (assets)	(510)	(380)	(2.5% period end assets)
Administration expenses	(4)	(3)	
Business combinations	-	-	
Settlements	-	-	
Employer contributions	175	185	
Member contributions	61	63	
Benefits/transfers paid	(396)	(754)	
Fair value of plan assets at end of year	15,406	15,203	
Actual Return on plan assets		**481**	(3.1% of period end assets)

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

22. PENSION SCHEME (CONTINUED)

Summary of actuarial assumptions used

Financial assumptions (Average duration profile of liabilities at end of accounting period)

	Beginning of period	End of period
- Rate of CPI inflation / CARE benefits	2.6%	2.9%
- Rate of increase in salaries	4.1%	4.4%
- Rate of increase in pensions	2.7%	3.0%
- Discount rate	5.8%	6.2%

Whole fund asset details

	Value (£m)	Determined as at
- Last actuarial valuation	3,575	31 March 2025
- Start of period	3,575	31 March 2025
- End of period	4,250	28 February 2026

Barcud contributes to one defined benefit scheme and three defined contribution schemes.

23. RELATED PARTIES

The Group consists of Barcud (the parent), Care & Repair in Powys Limited (subsidiary) Cymdeithas Gofal (The Care Society - subsidiary) and EOM (Electrical Contractors) Ltd (subsidiary). Barcud Cyf as a registered social landlord is required by statute to produce Group Accounts.

Transactions within the Group were:

Care & Repair in Powys

	Invoiced	Outstanding 31/03/2026
Amounts charged to	£140,179.76	£52,964.25
Amounts charged from	£21,950.28	-

Cymdeithas Gofal The Care Society

	Invoiced	Outstanding 31/03/2026
Amounts charged to	£215,680.12	£29,255.11
Amounts charged from	£37,657.98	-

EOM Limited

	Invoiced	Outstanding 31/03/2026
Amounts charged to	£382,799.90	-
Amounts charged from	£3,666,402.66	£626,801.00

During the year ended 31 March 2026, an investment property with a fair value of £270,000 was transferred from EOM to the Housing Association on a no gain/no loss basis. The transfer was undertaken for nil consideration and without the exchange of any monetary or non-monetary value.
In the Parent Company financial statements, the property is recognised at fair value as a Market Rented Property.

Docusign Envelope ID: A4E93473-8FFD-80E0-80DC-6CD955367181

24. DEVELOPMENT AGREEMENT

Barcud entered into a Development Agreement co-incident with the date of transfer of the housing stock from Ceredigion County Council (CCC), to carry out an agreed schedule of refurbishment works to the properties. The value of these works was £71.5m (excl. VAT). The cost to CCC of contracting for these works to be undertaken was offset against an equal increase in the purchase price of the stock paid by Barcud. The works contracted will be recognised as they are undertaken, in accordance with the accounting policy for major, cyclical and responsive repairs. In the event that Barcud chooses not to complete the works specified, the development agreement may be terminated at no financial loss to Barcud. Please refer to Notes 14 and 16 for amounts outstanding at 31 March 2026.

25. POST BALANCE SHEET EVENTS

There are no post balance sheet events.

26. CONTINGENT LIABILITY

During the year ended 31 March 2026, the Association resolved the matter previously disclosed in relation to potential 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").

Following clarification of the Association's obligations and completion of the relevant review processes, the Association recognised costs of £30,000 in relation to this matter, which have been included within operational costs in the Statement of Comprehensive Income for the year.

The Association considers the matter to be fully resolved and no further liability is expected to arise.