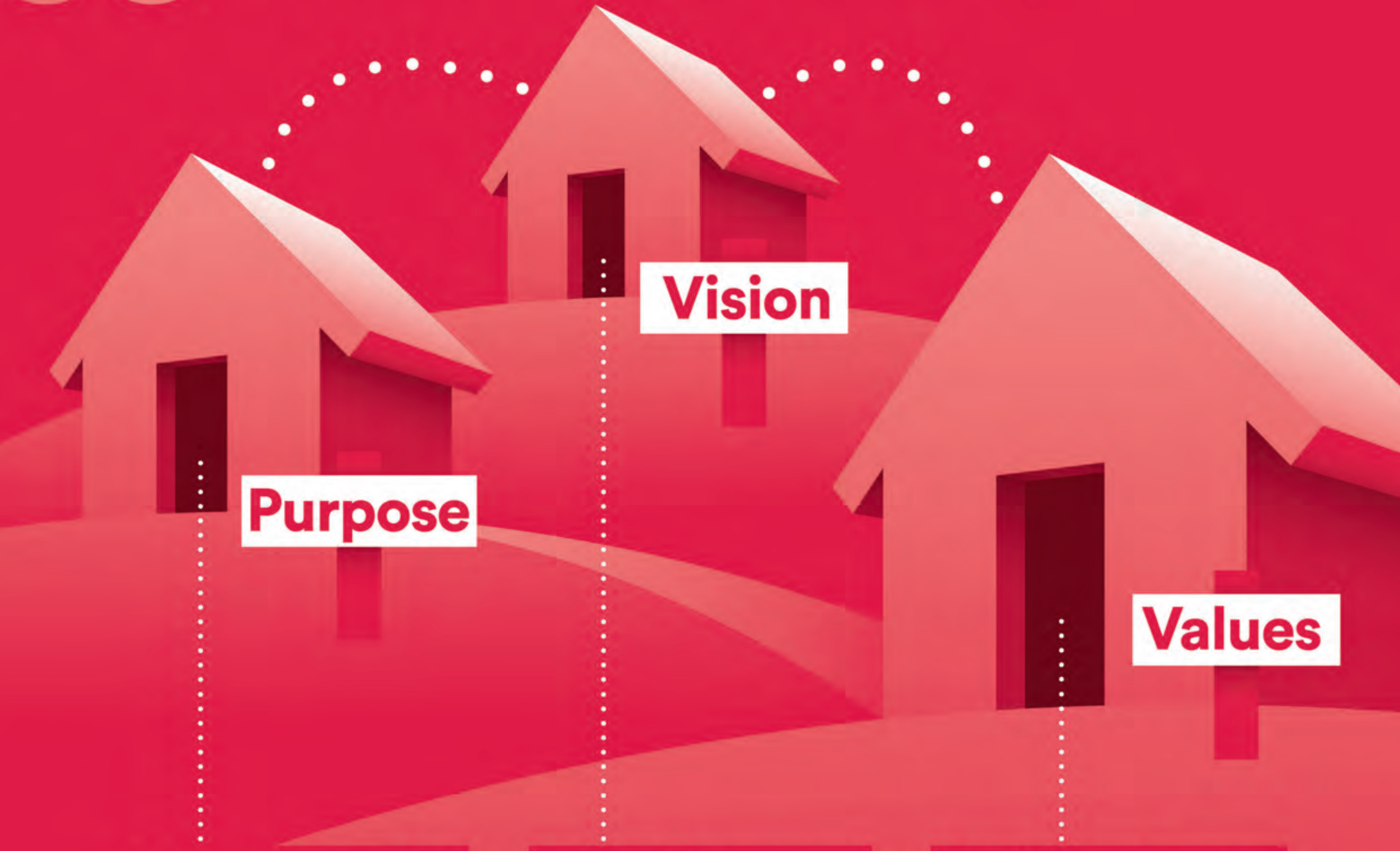
WWW.CO-OWNERSHIP.ORG

ANNUAL REPORT

2023 - 2024

Co-ownership

Co/ownership



Purpose

To enable people to become homeowners.

Vision

To lead the way on affordable home ownership.

Values

Putting customers first.
Working together.
Doing the right thing.
Evolving and improving.

co-ownership.org

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CHAIR AND CHIEF EXECUTIVE'S REPORT

Looking back over last year it is clear that Co-Ownership continues to play a vital role enabling people to become homeowners.

With high mortgage costs, a lack of homes on the market and a sharp decline in the building of new homes, our customers faced a range of challenges in the period. Despite these, we saw a 15% increase in applications and 771 households received the keys to their new homes.

Whilst the cost of mortgages has increased significantly, we haven't seen any fall in house prices here in Northern Ireland. There was a 4% increase in the costs of homes we buy with our customers, and during the year Communities Minister Gordon Lyons announced the increase in the property value limit to £195,000, to ensure our customers were able to access homes across Northern Ireland.

Our aim is to help people to become full homeowners and this year we saw 448 people move to full home ownership (through buying out our interest). The sharp increase in mortgage costs has had an impact however, and this was a 22% reduction from the previous year.

Given the financial pressure our customers have been under it was pleasing that we haven't seen any significant increase in the numbers of our customers in arrears. They are clearly feeling the financial pressure of the cost of living crisis and higher interest rates and are cutting back on discretionary spend. The impact is particularly felt as people come off their fixed rate mortgage deal. We have been proactive this year in contacting customers as their mortgage deals expire to provide support and guidance.

Our customers fund their share of the home with a mortgage, and over the year seven lenders provided mortgages to our customers. It was particularly encouraging that local lender, Progressive Building Society, in addition to Danske Bank, is now able to provide a mortgage for our customers that does not require a deposit. Often, the availability of a deposit is as great a barrier to first time buyers as the cost of the mortgage is.

> **"With high mortgage costs, a lack of homes on the market and a sharp decline in the building of new homes our customers faced a range of challenges in the period.**

This was the first full year of taking applications for our new product, Co-Own for Over 55s. We had 17 customers move into new homes bringing the total to 23 customers since launch. Feedback has been excellent, and experience so far is that this new initiative is meeting the need we had identified to enable older people to move to more appropriate housing.

We continue to focus on delivering our services in ways that meet the needs and wants of our customers. We introduced a new customer portal which allows our existing customers to manage their rent online and next year will allow our customers to buy out their home through a fully digital process. We continue to work to improve our customer service and maintain our accreditation with the Institute of Customer Service.

Delivering great customer service requires a great team and we continue to support the learning and development needs of our people. This year we were really pleased that eleven colleagues achieved Institute of Customer Service professional qualifications. Our twice yearly 'Extra Miler' scheme, recognising staff who have gone the extra mile delivering on our values, continues to demonstrate the strong commitment of our staff to providing excellent customer service.

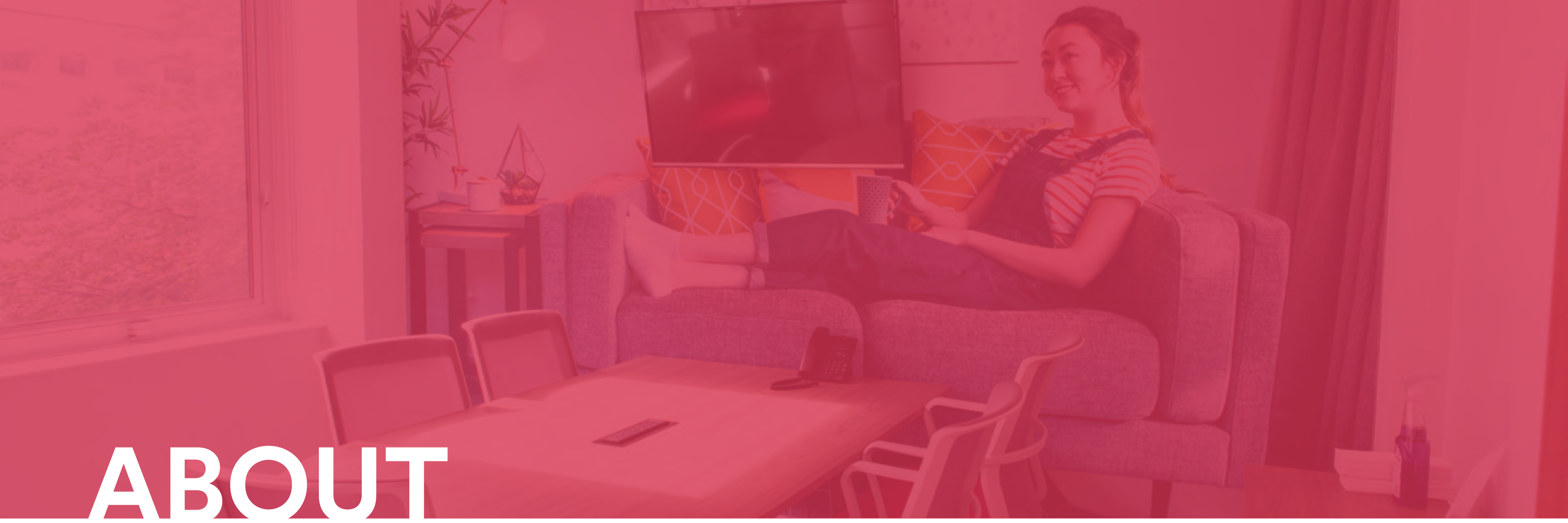
Climate change and the move towards low carbon homes has increasing implications for Co-Ownership. For many customers the rising cost of energy has been a concern. Whilst we await government policy on how the residential sector will decarbonise, we have trained our team to provide energy saving advice to our customers.

The financial performance for the year has been strong and the financial position at the end of the year is robust. The surplus generated will be reinvested into homes, helping more people into home ownership.

On behalf of the Board, our thanks are due to our staff for their performance throughout the year. They continue to be the foundation to our success. We are also grateful to our partners in the Department for Communities (DfC) for their continuing support, and to the range of stakeholders whose support is so essential to our continued success.

David Little
Chairman

Mark Graham
Chief Executive



ABOUT

Co-Ownership is the regional body for shared ownership in Northern Ireland. We are a registered housing association, an industrial and provident society regulated and funded by Department for Communities.

Co-Ownership is a charity registered with the Charity Commission for Northern Ireland.

Our purpose is to enable people to become homeowners and our vision is to lead the way on affordable home ownership. We operate on a not-for-profit basis to help people get onto the property ladder who cannot do so by themselves. Co-Ownership has a strong sense of social purpose and puts people at the heart of what we do, whilst also having a strong commercial focus.

Our goal is to extend our reach and impact on society. We treat our customers fairly in all our interactions with them.

There are many reasons why people need help to buy a home – difficulty in raising a deposit, low income or non-permanent employment are some reasons. We have three ways to help people: Co-Own, Co-Own for Over 55s and Rent to Own. Since 1978 we have helped over 33,000 people buy a home in Northern Ireland, and currently have over 10,500 co-owners.

L-R: Communities Minister Gordon Lyons, Mark Graham

2023-24

YEAR AT A GLANCE

£115m
Total value of homes purchased

771
Homes purchased

£148,827
Average purchase price

21%
New build properties

£195,000
Property value limit increased

10,523
Total co-owners

92
Net Promoter Score

Co-Own
customer profile

754
People helped

33
Average age

46%
From rental market

91%
First time buyer

£26,399
Annual earned income

448
Customers bought out

Over 55s
customer profile

17
People helped

66
Average age

29%
From rental market

53%
Retired

£89,037
Customer contribution

Co-ownership

OUR IMPACT

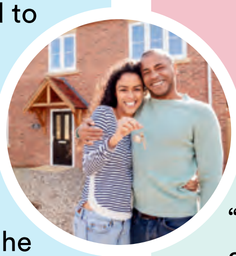
We love to hear about the positive impact Co-Ownership has on the lives of our customers. They inspire the team to deliver results and get people into homes. Here's just some of the five star Trustpilot reviews we have received.

"Thanks to Co-Ownership we are now sitting in our very first house. We could not have done it without them. Things are hard enough out there with the current financial crisis going on and with the help of Co-Ownership our dream has come true."

Steven

"Had a great experience with Co-Ownership.

At 55 I thought I was too old to buy my first home after renting all my life, but after a quick application I was approved and any small problems and queries were quickly sorted out by the great team at Co-Ownership.



I'm now living in my own house with a mortgage not much more than renting, I would definitely recommend anyone to try this route for themselves. Thank you to everyone that helped."

Dorothy

"Thanks to Co-Ownership I could buy my dream house!! They were fantastic with us! I would recommend them to anyone!"

Sarah

"You made our dreams come true.
We honestly cannot thank you and our mortgage advisor enough. Two years prior to this, we had a terrible experience but thanks to yourselves and our advisor we now have a house we can call OUR OWN HOUSE and we love it. Thank you so much."

Gareth

"No need to be afraid, Co-Ownership will assist you with any queries or issues you may encounter, they are very thorough and experienced. For me it was a life changing move and life is better now.

I have peace of mind and I'm loving my new home, finally I can live a normal life where I'm in control."

John

"Co-Ownership makes what seems an impossible achievement; achievable. Without Co-Ownership I'd never have been able to call the house I now live in, home."

Zoe

"Co-Ownership were invaluable to me in order to get on the properly ladder as a single person.

The housing market is very rough and can seem so daunting, but the guys at Co-Ownership made it much easier to see the light at the end of the tunnel. I now own an amazing home which I'm so thankful for and very grateful that the scheme exists."

Laura

"I had a great experience with Co-Ownership service. I would have struggled to get my foot on the property ladder but they helped me get my ideal house. All my questions and service experiences were very professional with minimal stress. Highly recommend this to anyone."

James

"Without Co-Ownership, myself and my wife we could not afford to be homeowners, we are so grateful, the process was fast and smooth, we couldn't be happier."

Joao

"Helped our dream come true! Like most people high rents meant we couldn't save for a deposit to purchase our home. Co-Ownership was the best choice for us. Very quick process (bank not so quick). Supportive and keep you well informed."

Carrie-Anne

"Without Co-Ownership, I would still be trying to save for a deposit while paying sky high rent. Thank you Co-Ownership for helping me achieve my dream of owning my home."

Marinus

"From the very beginning, the collaboration with Co-Ownership went very smoothly. The staff were extremely professional and helpful at every stage of the process.

We could rely on their support and answers to our questions at any time. Their communication was quick and efficient, which significantly facilitated the entire process for us. In summary, I am extremely satisfied with Co-Ownership's services and highly recommend them to anyone planning to buy a home.

Thanks to their support, the entire process was much easier and less stressful for us and our autistic son. This is a professional and trustworthy company that truly cares about its clients."

Agnieszka

PERFORMANCE HIGHLIGHTS

Applications

A total of 1,668 applications were received for Co-Own during 2023-24 compared to 1,449 applications in 2022-23. This represents an increase of 15%. 42 applications for Co-Own for Over 55s were received during 2023-24.

Property purchasing activity

Overall, 771 Co-Ownership customers received keys to their home. The total value of homes purchased was £115m.

Purchases were recorded across all council areas which demonstrates the continuing demand for affordable home ownership across Northern Ireland.

In total, we ended the year with stock of 10,523 Co-Ownership homes.

House prices

During 2023-24 the average Co-Ownership purchase price was £148,827. The average price for new build properties was £169,519 and £143,279 for existing build properties.

163 of the 771 Co-Ownership properties purchased overall were new builds (21%) during 2023-24. Armagh, Banbridge and Craigavon council area recorded the highest volume of new build completions during 2023-24.

Property type

Overall, semi-detached houses remained the most purchased property type during 2023-24; more than half of Co-Ownership customers purchased this property type (54%). This was followed by terrace/townhouses (34%), apartments (7%) and detached houses (5%).

Property value limit

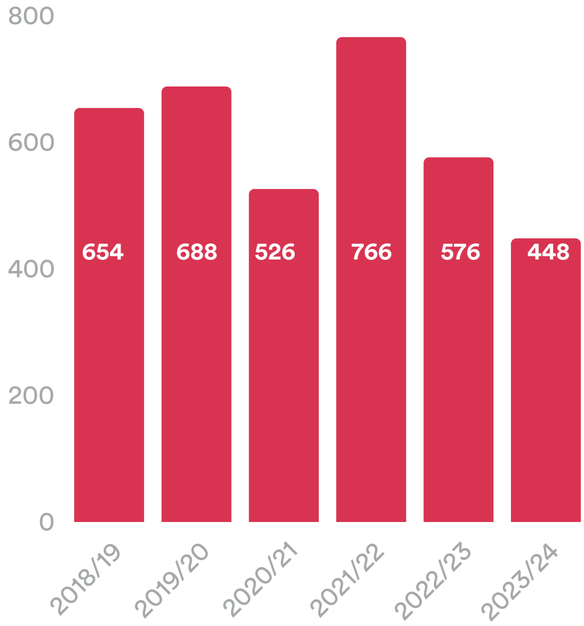
Following in-year review, the property value limit for Co-Ownership increased from £190,000 to £195,000 on 25 March 2024.

“Having access to a mortgage and the deposit for a home is critical. We have been working with mortgage lenders in Northern Ireland for many decades, and two of our lenders have developed a mortgage product that doesn’t require a deposit. This makes a real difference to many of our customers who struggle to save for a deposit.

Mark Graham
Chief Executive

Buying out

448 Co-Own customers fully bought out the remaining share in their property during 2023-24. There were 68 part buy outs recorded, up slightly from 57 during 2022-23.



Co-Own customers buying out in full 2018-19 to 2023-24

First time buyers

During 2023-24, 91% of Co-Own purchasers were first time buyers while 9% were returning homebuyers.

Deposit

During 2023-24, around one in three Co-Own customers were able to access home ownership without a deposit (32%).

The average deposit amount for a Co-Own customer during 2023-24 was £10,734 whilst the average deposit amount for first time buyers in Northern Ireland was three times higher at around £33,000[1].

Earnings

During 2023-24, the median gross annual earnings for a Co-Own customer was £26,399[2]. This represents an increase of 7% from last year.

Previous tenure

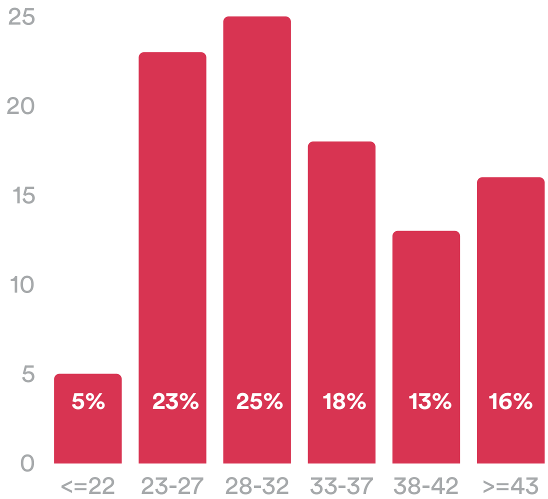
Of those Co-Ownership customers who received keys to their home overall during 2023-24, almost half came from the private rented sector (46%). The remainder comprised of customers who had previously been living with friends or family (52%) and a small number had been living in social housing (2%)[2].

Age

The average age of a Co-Own customer during 2023-24 was 33[2] which remains unchanged from last year.

The most common age groups of Co-Own customers remain unchanged; those aged 23 to 27 and 28 to 32 were found to be most likely to purchase their home with Co-Ownership.

The average age of a Co-Own for Over 55s customer was 66.



Age of Co-Own customers 2023-24

Rent to Own

During 2023-24, 8 Rent to Own tenants purchased a property. Five bought with a full mortgage and three bought with Co-Own.

[1] Halifax first time buyer review 2023
[2] Lead Applicant

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As a business with a strong sense of social purpose, we have always recognised the wider impact of our work and we seek to make a positive impact on society whilst minimising our environmental footprint. The practical application of our values 'putting customers first' and 'do the right thing' is evident through our strong focus on Environmental, Social and Governance (ESG), in response to climate change, rising energy prices and the increasing cost of living.

a) Environmental

We continued to progress our Climate Change Strategy and Action Plan in the year. We aim to be a voice for the owner occupier sector, to encourage customers to improve energy and carbon efficiency in their homes, and to lead by example by reducing the carbon footprint of our operational environment.

The strategy sets out the scale of the challenge and key enablers for the housing sector to transition to net zero and we look forward to working with government bodies and other strategic partners to help homeowners reduce carbon consumption.

Throughout the year our staff continued to develop through training on energy efficiency and carbon literacy. This has enabled us to further develop and improve the information we deliver to customers on energy saving measures to support them with the rising cost of living.

Additionally, we continued our environmental efforts under the framework of our Business in the Community CoRe accreditation, the standard for responsible business in Northern Ireland. The Board fully recognise the challenge ahead and are committed to lead in the owner occupier sector as we move forward.

b) Social

In the year we continued to extend our reach to the wider community through distribution of our Community Fund which makes available grants up to a total of £20,000 annually. Additionally, we seek to make a positive contribution to society through our corporate fundraising and volunteering with local organisations.

This work demonstrates our commitment to being a responsible business by actively supporting local communities, and supports our ongoing work on the CoRe accreditation with Business in the Community.

The Community Fund for 2023-24 was awarded to three different community groups to help support their individual projects.

1. West Wellbeing Suicide Prevention was awarded funding to help deliver therapy sessions for children and young people experiencing poor mental health. On completion of the project the organisation reported that the sessions had a positive impact on both individuals and their families, and on the wider community by helping to reduce the stigma associated with poor mental health and promote the importance of early intervention and support.

2. Charis, a club that helps families of children with learning difficulties, received funding which enabled them to purchase much needed updated soft play and sensory equipment and allowed for various outings to be organised for the children and their families.

Community Fund recipients

3. Open Arts Luminous Soul Dance were awarded funding which enabled them to provide weekly high quality dance training classes to disabled people and facilitated multiple dance taster sessions for new participants. The organisation reported that tutors and family members observed a remarkable increase in the participant's confidence levels along with a heightened awareness of their physical capabilities. Some participants have gone on to perform in external events.

Fundraising

Once again, our staff demonstrated their generosity and team spirit by getting involved with our fundraising events for Northern Ireland Chest Heart and Stroke who staff had voted to support for a second year running. Over the past two years staff have raised over £8,300 for the charity by taking part in various fundraising events, from themed raffles and coffee mornings to challenging themselves in various sporting events, all whilst raising money for our chosen charity.

Members of the Co-Ownership team taking part in fundraising activities for Northern Ireland Chest, Heart and Stroke

Barnardo's Family Bereavement Service Christmas Appeal

Staff continued to show their charitable generosity with our annual Barnardo’s Christmas gift appeal and this year we were able to support 24 families with Christmas gifts and vouchers. The bereavement service supports children and young people who have been impacted by bereavement and helps them to cope with their loss and grief.

Barnardo’s collecting the many gifts supplied by Co-Ownership staff at Christmas for children in the bereavement service.

Believe in children Barnardo's

> There is an email I receive every year that both scares me and fills me with joy, it’s from Co-Ownership. It scares me because I can’t believe we are nearing Christmas again as the year has flown by but counter that with the joy it fills me with to know that our families will feel cherished and supported by the Christmas Appeal. The Child Bereavement Service staff will have spent the year getting to know families and their needs which in turn will give an idea of those that need at Christmas. I know and speak for our staff that there are many of our families who simply wouldn’t be able to provide at Christmas without Co-Ownership supporting our work. For that we will always be grateful. It means that those families in need can have a Christmas otherwise wouldn’t be possible.

Michelle Scullion, Barnardo’s

c) Governance

Co-Ownership is governed by a Board of Management, made up of non-executive directors elected from our shareholders. The Board complies with a Code of Governance based on the National Housing Federation Model Code of Governance.

Board members are unpaid volunteers, with their time and expertise freely given to the work of Co-Ownership.

Board members act collectively; they do not have individual executive authority. However, as individuals they are responsible for upholding the values and principles of Co-Ownership and for contributing their personal skills, knowledge and experience to our work.

As non-executives, the Board delegates day to day responsibility for the operation of the business to the executive management team via a delegated authority policy clearly outlining Board and Executive responsibilities. The Board met six times in the year with an overall attendance rate of 69%.

Individual attendance rates for Board and Committee meetings are:

Board Member	Attendance Rate
David Little	100%
Alyson Kilpatrick, stepped down in the year	33%
Norman McKeown	78%
Phillip Price	69%
Audrey Fleming	91%
Alastair Coulson	61%
Jordan Buchanan	100%
Alan Ledlie	56%
Nicola McCrudden	53%
Gillian Greer	83%
Derek Wilson	71%
Daniel Egerton, co-opted in the year	74%
Paul Buggy, co-opted in the year	100%

Gender balance on the Board is 33% female and 66% male.

We noted the departure of our Vice Chair, Alyson Kilpatrick from the Board in September 2023 and we thank her for her insight and professionalism during her tenure. Two new members, Daniel Egerton and Paul Buggy were co-opted in the period and we welcome the additional skills and expertise they bring to the Board. The Board continued its development and succession planning with further recruitment, supported by the Human Resources Committee.

RISK MANAGEMENT

In meeting Co-Ownership's corporate and strategic plans, we ensure that any associated risks are properly identified, evaluated and managed to ensure that our risk exposure is within an acceptable range, as outlined in our Risk Appetite Statement.

The Risk Appetite Statement is subject to regular review and in the 2023-24 period, the Board reviewed it to ensure it remained appropriate. The Board also regularly review the operating environment to ensure emerging risks are identified and, in the year, our Corporate Risk Register was also subject to a thorough review, including a re-evaluation of impacts and risk descriptions.

Our Risk Management Structure

The Board has ultimate responsibility for ensuring there is an effective Risk Management Process.

It delegates close scrutiny of risks to the Audit, Risk and Governance Committee (ARG), which co-ordinates risk management activities and reviews processes. In this way, the Board maintains oversight of risk management, whilst ARG regularly reviews the risk register in detail and considers the approach to risk recording, management and mitigation and how this remains appropriate in the current operating environment. ARG regularly reviews and evaluates all risks and ensures there is adequate ongoing monitoring arrangements, including the effectiveness of any early warning indicators. In turn, the ARG reports to the Board on the adequacy of Internal Control and alerts the Board to any emerging risk issues. After each ARG Committee, there is a formal report on proceedings to the Board.

In addition, the Board has delegated detailed scrutiny of financial and operational performance and funding to the Finance and Performance Committee. Thus it maintains oversight of financial risks. The Finance and Performance Committee also report to the Board after each meeting.

Control is maintained through a management structure with clearly defined responsibilities, authority levels and lines of reporting; the appointment of suitably qualified staff in specialised business areas; a comprehensive financial planning and accounting framework and a formal reporting structure. These methods of control are subject to periodic review as to their continued suitability.

Assessment of risk was carried out throughout the year ended 31 March 2024 and up to the date of approval of the Annual Report and Financial Statements, in line with our risk process. The ARG during its annual review of the effectiveness of the internal control and risk management systems, did not identify, nor advised the Board of, any failings or weaknesses which it determined to be significant.

Our system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The top 5 risks, all of which have been managed within Co-Ownership's appetite statement, are set out below:

Risk Description	Mitigation	Trend
Information Security breach caused by failure of people, systems or processes, leading to regulatory censure, financial costs and reputational damage.	IS027001 Information Security Accreditation. Managed detection and response services. Business continuity and cyber incident response plans.	**Rising**
Availability of future government funding negatively impacts delivery of the housing programme.	Ongoing monitoring of funding position and engagement with funders. Continued and focused stakeholder engagement. Monitoring and responding to the housing market.	**Stable**
External economic conditions, leads to failure to deliver the housing programme.	Regular review of forecast interest rates. Hedging line in place for interest rate movements on bank debt. Ongoing monitoring of developments in the housing sector. Monthly tracking and review of property prices.	**Stable**
Failure to innovate to meet both customer needs and evolving housing policy such as Mixed Tenure and Local Development Plans.	Dedicated resource allocated to product innovation. Research programme.	**Stable**
Climate change and legislative targets for climate change negatively impact on Co-Ownership. Potential negative impacts include affordability of low carbon homes, mortgageability of less energy efficient homes and costs of retrofitting existing homes.	We have put in place a Climate Change Strategy. Trained staff to provide energy advice. Continue to monitor government policy.	**Stable**

AUDIT, RISK AND GOVERNANCE COMMITTEE CHAIR'S REPORT

The Audit, Risk and Governance Committee met five times in the year in performance of their primary role, which is to support the Board by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the findings and recommendations of any authorised investigations.

As well as ongoing oversight of Co-Ownership's risk management, key developments and areas of focus during 2023-24 included:

- Regular review of risks to ensure appropriate mitigations are in place
- Focus on enhancing operational resilience, IT and information security, including the increasing cyber threat
- Review of internal audit reports and resulting actions, plus development of the internal audit plan
- Review and agreement on the approach to external audit and timeline with the eternal auditor
- Review of audited accounts and auditors report
- Review and approval of regulatory returns
- Ensuring appropriate levels of insurance were in place including cyber security insurance
- Review and approval of updates to governance policies.

The Committee was satisfied that the control environment remained robust, resulting in a satisfactory level of assurance (the highest possible), from internal audit as well as a clean audit result following external audit by BDO. Overall the Committee is satisfied with adherence to audit, risk and governance requirements.

Philip Price, Chair of the Audit, Risk and Governance Committee

FINANCE AND PERFOMANCE COMMITTEE CHAIR'S REPORT

The Finance and Performance Committee met six times in the year in performance of their function which is to report to the Board on matters relating to:

- Finance; including financial risk management, maximising funding opportunities, compliance with funding terms, treasury management, budgetary control and procurement
- Operations: review of the operational performance of the organisation.

As well as ongoing oversight of these central business functions, the Committee's key areas of focus in the year included:

- Financial and operational performance
- DfC and private funding levels and covenant performance
- Review and approval of various business cases
- Review of the annual report and financial statements
- Review of Legal and Contract Registers
- Oversight of the digital programme and ICT performance.

Overall, the Committee is content with the operational and financial performance of Co-Ownership.

Norman McKeown, Chair of the Finance and Performance Committee

HUMAN RESOURCES COMMITTEE CHAIR'S REPORT

The Human Resources Committee met four times in the year.

Committee members supported the Board in matters relating to organisational structure and resourcing, staff employment terms and conditions, board and staff learning and development, grievance and disciplinary matters.

In addition, the Committee ensures that the Board retains an appropriate structure, size and balance of skills and supports on Executive level recruitment, performance and remuneration.

The Committee liaises on various matters relating to the management and development of human resources strategy, policy and practices within the organisation, both statutory and in terms of good practice/public policy directives.

The Committee’s key areas of focus in the year included:

- Board recruitment
- A review of the organisation’s hybrid working policy to ensure it continues to meet organisational needs
- Board training & development
- Human Resources policy review
- Workforce planning
- Review and oversight of the People Strategy and Action Plan including Health & Wellbeing.

The Committee has been pleased to note many areas of best practice and overall the Committee is very happy with the proactive people focus in Co-Ownership, as evidenced by high employee engagement, coaching culture and investment in the staff training programme.

Audrey Fleming

Audrey Fleming, Chair of the Human Resources Committee

BOARD MEMBERS

David Little
Chair

Alyson Kilpatrick
Vice Chair

Philip Price

Alastair Coulson

Gillian Greer

Norman McKeown

Derek Wilson

Jordan Buchanan

Alan Ledlie

Nicola McCrudden

Audrey Fleming

Daniel Egerton

Paul Buggy

FINANCIAL PERFORMANCE

Co-Ownership has produced a group surplus of £17.9m for the year ended the 31 March 2024, which compares favourably to a surplus of £15.7m in the previous financial year. This surplus will be used to help more people into home ownership next year.

Financial Performance

Income decreased by 13% to £43.8m, primarily reflecting a 21% decrease in turnover from the sale of homes to £28.3m, resulting from a decrease in customer staircasing activity.

Staircasing activity has been impacted by higher interest rates in the mortgage market, and staircasing volumes being 22% lower has resulted in a £1.6m decrease in surpluses on the sale of housing properties to £4.8m.

Following an impairment review a further provision release of £0.7m added to the surplus, as house prices continued to increase and repossessions levels were very low throughout the year.

Rental income increased by 7% to £15.5m with the number of homes benefitting from Co-Ownership's help increasing by 314 to 10,523.

Operating costs were £0.4m lower at £5.5m, benefitting from lower pension costs. Interest receivable on investments benefited from higher deposit rates and increased by £2.2m to £3.5m.

Financial Position

The balance sheet remains strong, with net assets having increased by £18m to £159m by 31 March 2024.

During 2023-24 Co-Ownership helped new customers by investing £52m into homes, which together with customer contributions of £65m represented a £117m investment in the Northern Ireland property market (including £2m through Rent to Own). After taking account of staircasing, Co-Ownership's investment in housing properties increased to £517m at the year end.

Cash and deposit balances decreased by £14m to £75m and provide good liquidity for the operations into the future.

£17.9m

Group Surplus

-13%

Income

£159m

Assets

£117m

Investment into NI market

Funding

The increase in housing property investments has been funded by a combination of loans and grants from the Department for Communities (DfC) alongside bank borrowings. DfC continued support for affordable housing through the provision of £14.2m of Financial Transaction Capital during the year.

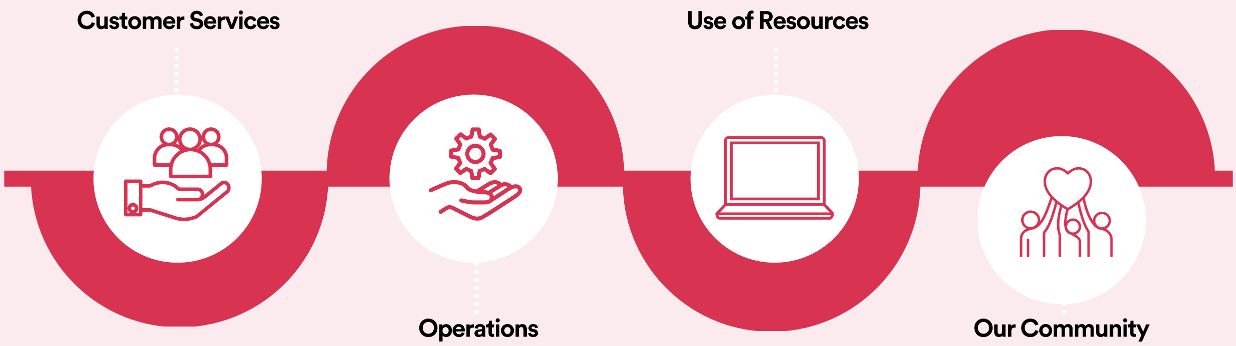
During 2023-24 sales proceeds generated £8.1m of grant repayable to DfC and in addition Co-Ownership also made £8m of loan repayments to the Department. Loan facilities totalling £65m are in place with Bank of Ireland until 2029 with £30m of this facility having a fixed interest rate for the term of the loan. The bank debt was drawn at £30m at the year end.

Conclusion

Overall, the financial performance, financial position and funding arrangements are strong and provided a robust platform to move into the next financial year.

Value for Money Report

We continue to deliver value for money in the four key areas.



Impact on Customer Service: Approvals issued for Co-Own within an average of two working days, and the time taken to issue a final offer averaged 10 working days - this is extremely efficient. A new customer portal was successfully launched, which now allows customers online access to key information, including rental statements, documents and correspondence. Together with the launch of a WhatsApp communication channel, this will enhance our customers' experience.

Impact on Operations: Information security, cybersecurity and privacy protection were assessed to be in line with best practice following the award of the new ISO 27001: 2022 accreditation.

Impact on use of Resources: Surpluses generated have been reinvested in new homes and loan repayments have been made to DfC which will be used to invest in new government initiatives. Rent collection remains at 100%.

Impact on our Community: In addition to our Performance Highlights on page 10, other key achievements included 23 households helped since launch into their new home through our new Co-Own for Over 55s product. As part of our Climate Change strategy, we conducted a survey of our customers to understand attitudes to energy efficiency and climate change. The results have been shared with stakeholders to inform policy development and initiatives.

The full Value for Money Report can be found under the Reports section of our website.

FINANCIAL STATEMENTS

2023-24

Registered number: 200IP
Charity Registration Number: NIC101435

Northern Ireland Co-Ownership Housing Association Limited

Annual report and financial statements for the year ended 31 March 2024

Northern Ireland Co-Ownership Housing Association Limited

Annual report and financial statements for the year ended 31 March 2024

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Northern Ireland Co-Ownership Housing Association Limited

Board of management and advisers

Board of management

David Little (Chair)
Jordan Buchanan
Paul Buggy (appointed 21 September 2023)
Alastair Coulson
Daniel Egerton (appointed 21 September 2023)
Audrey Fleming
Gillian Greer
Alyson Kilpatrick (resigned 21 September 2023)
Alan Ledlie
Nicola McCrudden
Andrea McKellar (co-opted 11 April 2024)
Norman McKeown
Philip Price
Angela Wiggam (co-opted 11 April 2024)
Derek Wilson

Chief executive

Mark Graham

Secretary

Gillian Hughes

Registered office

Moneda House
25-27 Wellington Place
Belfast
BT1 6GD

Bankers

Bank of Ireland
1 Donegall Square South
Belfast
BT1 5LR

Independent auditors

BDO Northern Ireland
Chartered Accountants and Statutory Auditors
Metro Building, 1st Floor
6-9 Donegall Square South
Belfast
BT1 5JA

Solicitors

A&L Goodbody Northern Ireland LLP
42-46 Fountain Street
Belfast
BT1 5EF

Cleaver Fulton Rankin Limited
50 Bedford Street
Belfast
BT2 7FW

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report

The Board of Management ("Board") presents its report, including its strategic report, for the year ended 31 March 2024 for Northern Ireland Co-Ownership Housing Association Limited ("Co-Ownership") and its subsidiary (together the "Group"). The wholly owned subsidiary of Co-Ownership is called Ownco Homes Limited ("Ownco").

Co-Ownership is a registered charity with the Charity Commission for Northern Ireland. The Board of Co-Ownership are the directors of the company and are the trustees of the charity.

1. Strategic

Principal activity

The principal activity of Co-Ownership remains unchanged and is the provision of intermediate housing on a shared ownership basis for persons in need thereof. Co-Ownership provides a public benefit through helping enable families and individuals, who meet the criteria for relief of those in need, to have a home of their own through shared ownership. Ownco compliments the Group by providing a route to home ownership when a full mortgage or Co-Ownership are currently unattainable.

Our Purpose: To enable people to become homeowners.
Our Vision: To lead the way on affordable home ownership.
Our Values: Putting customers first, working together, doing the right thing, and evolving and improving.

Whilst the Group operates on not-for-profit principles, the generation of an annual surplus is vital to ensure the ongoing investment in new homes, to meet the commitments to lenders, and to generally ensure adequate protection against unforeseen circumstances.

Co-Ownership has developed a three year corporate plan which sets out an ambition deliver on four primary objectives. These objectives are to extend its reach and impact on society, to be the best we can be for our customers, to be strong advocates and trusted partners for home ownership and to be a great place to work with high performing teams delivering our service. The plan is on track to deliver the objectives within the agreed timetable.

The key strengths of the Group which enable its primary objectives to be met are:

- A customer centric focus, with a product offering that meets customer needs;
- A commitment to the highest standards of customer service and corporate governance;
- A financial position which secures the confidence of funders, facilitating future investment and strategic growth opportunities; and
- Professional and dedicated staff who are committed to the Group's objectives.

Review of business and future developments

During the year Co-Ownership helped customers purchase a total of 771 (2023: 745) properties and as a result the housing property portfolio increased from £486m to £513m. Staircasing activity levels were impacted by higher mortgage rates, with 448 full property sales transactions (2023: 576) and 68 partial staircases (57 in 2023). The level of repossession sales remained low and totalled 9 for the year (2023: 22). At 31 March 2024 Co-Ownership had interests in 10,523 homes (2023: 10,209).

The Board continues to explore opportunities for enhancement of its services going forward, in response to a changing housing market. The shared ownership product for people over the age of 55, which was launched in June 2022, is aimed at helping provide affordable homeownership for people who are retired or are approaching retirement. Applications since the launch have been encouraging and resulted in 23 homes being purchased by 31 March 2024. A new customer portal was launched during the year which should enhance customer experience and plans to digitise the staircasing processes are under development.

The underlying need for affordable homes in Northern Ireland remains strong, although a lack of supply of homes and economic uncertainty are challenges home buyers will continue to face in the year ahead. Changes to Local development plans by Councils should result in more mixed tenure developments being built and Co-Ownership will continue to advocate the need for more intermediate housing.

Ownco purchased 9 houses at a total cost of £1.7m, making 85 purchases to date. There were 8 property sales in the year, of which 5 were to previous tenants of the scheme. At 31 March 2024 Ownco owned 24 homes and held £6.6m on deposit for reinvestment.

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report

2. Financial

Financial Performance

The surplus for the year amounted to £17.9m (2023: surplus £15.7m). The increase primarily arises from an increase in rents to £15.5m (2023: £14.5m), a decrease in operating costs to £5.5m (2023: £5.9m), a decrease in the surplus on sale of housing properties to £5.5m (2023: £7.2m) and an increase in interest receivable to £3.5m (2023: £1.3m).

The Department for Communities (DfC) provided Co-Ownership with Financial Transaction Capital of £14.2m by way of long term loans during the year, which together with Co-Ownership's own resources funded the investment in homes. During the year sales proceeds generated £8.1m of grant repayable to DfC and in addition Co-Ownership made £5m of loan repayments to DfC. Ownco made £3m of early loan repayments to DfC.

A loan facility of £65m with Bank of Ireland remains in place for a further five years. Of this facility, £30m was drawn throughout the year.

At the year-end the Group had cash and deposit balances of £75m (2023: £89m), net current assets of £68m (2023: £80m) and total net assets of £160m (2023: £142m).

Co-Ownership's policy is to retain a level of revenue reserves, which matches its needs at the current time and in the foreseeable future. The revenue reserves required are sufficient to meeting committed running costs for a period equivalent to six months budgeted future expenditure.

The Board are satisfied with the underlying financial performance of the Group. They are of the view that for the foreseeable future Co-Ownership will continue to generate sufficient operating surplus to cover its operating and financing costs and have sufficient finance to fund its ongoing activities for a period of at least 12 months. It therefore continues to adopt the going concern basis in the preparation of the annual financial statements.

Events after the Balance Sheet date

The Group has no post balance sheet date events to disclose.

Value for Money (VfM)

The focus on VfM and continuous improvement is an important aspect to the delivery of our corporate strategy. It is recognised that the focus is not just about cost savings and financial improvement, but that VfM is integrated into the culture and operations of the organisation. Value is defined from the perspective of our customers and stakeholders in any service or process, where economy, efficiency and effectiveness are considered in everything that we do whilst having regard to quality of service.

Our approach to VfM is to ensure the combined efforts of the organisation and its resources are focused on what makes a difference for our customers and stakeholders. This is done through measuring and assessing our efforts against targets so the impact of our work is understood, and that learnings can be taken and used to shape future plans with an aim to be constantly improving and evolving. The Finance & Performance Committee oversee the delivery of VfM through review and challenge, which includes the review of business cases, contracts registers and performance indicators.

Key performance indicators for the year showed the following outcomes against target:

- The number of home acceptances issued was 805 (target 800).
- The average home purchase price was £148,800 (target £147,000).
- The average customer starter share was 57% (target 56%).
- The number of customers who bought out was 448 (target 500).
- The average time taken to provide an initial approval to applicants was 2 days (target 5 days).
- The average time taken to issue an acceptance was 10 days (target 19 days).
- The net promoter score for customers who would recommend Co-Ownership was 92% (Target 75%).

The Board consider that Co-Ownership provided good value for money to both its customers and its stakeholders during the last year, particularly given the challenging economic environment.

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report

3. Environmental and Social

The Group recognises that as a charity with a vision to lead the way on affordable home ownership, it has an important role to play in the journey to Northern Ireland delivering Net Zero. Co-Ownership has developed a strategic response to climate change with aims to be a voice for the owner occupier sector, to encourage customers to improve energy and carbon efficiency in their homes, and to lead by example by reducing the carbon footprint of our operational environment.

Some of the actions taken during the year by the Group are:

- Conducting a customer survey to understand their views on energy efficiency measures within their homes.
- Providing training to staff on domestic low carbon technologies and training an in-house EPC assessor.
- Educating staff on how to save energy in homes, with the assistance of National Energy Action.
- Running our first energy savings week for customers, providing tips and ideas on how to conserve energy.
- Developing some pathfinder initiatives for home energy improvements.
- Gathering information on the energy efficiency and energy sources of the homes the Group has interests.
- Conducting an external audit of the carbon efficiency of the Group's operations.

Energy and carbon reporting

In line with the 'Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018' and related accompanying government guidance 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting requirements: March 2019', the Group presents details of its carbon and energy as:

UK Greenhouse gas emissions and energy use data	**23/24**	**22/23**
Energy consumption used to calculate emissions (kWh)	**101,169**	**97,874**
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	**31**	**31**
Total gross emissions in metric tonnes CO2e	**31**	**31**
Intensity ratio tonnes CO2e / £m revenue	**0.71**	**0.62**

The Group's only reportable energy consumption was purchased electricity. To determine emissions for the year ended 31 March 2024, the Group used a methodology compliant with the Greenhouse Gas ('GHG') Protocol. Electricity consumption was based on actual data, obtained from supplier invoices, meter readings and online supplier portal data. The collected consumption data is then converted into greenhouse gas emissions. The Group utilises a "Green Tariff" which provides 100% renewable energy, although the conversion into greenhouse gas emissions applies the electricity supplier's average across all fuels.

Social

As an organisation with a strong social purpose that recognises its responsibility to carry out its operations whilst minimising the impact on the environment, it has a Corporate Social Responsibility Strategy in place.

The social impact of Co-Ownership is evidenced by what customers have told us as being the impact of buying a home through Co-Ownership has had on their lives. A recent customer of Co-Owners showed:

- 76% agreed or strongly agreed they felt part of the community where they lived.
- 89% agreed or strongly agreed they could travel to work conveniently.
- 83% agreed or strongly agreed they felt their health and wellbeing had improved.
- 95% agreed or strongly agreed they felt part more independent.
- 80% agreed or strongly agreed they felt financially secure.

The Community Fund supported four different groups across Northern Ireland and together with funding raising initiatives resulted in Co-Ownership making charitable donations of £21,590 (2023: £22,143) during the year. No donations for political purposes were made during the year (2023: £Nil).

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report

4. Governance

Co-Ownership is governed by the Board, which is made up of non-executive directors elected from by the shareholders. The Board complies with a code of governance based on the National Housing Federation model code of governance. The Board considers it has complied with the Charity Commission for Northern Ireland's guidance on public benefit.

The Board and executive directors

The Board and executive directors of Co-Ownership are listed on page 1. The Board is a voluntary committee who have responsibility for the strategic direction, general policy and management of the organisation. The day-to-day management of operations is delegated to the Chief Executive and the Senior Leadership Team.

Each past and present member of the Board holds one non-equity share of £1 in Co-Ownership. The Chief Executive of Co-Ownership holds no interest in Co-Ownership's share capital and although not having the legal status of director acts as executive within the authority delegated by the Board.

The work of the Board is supported by three committees which operate under clearly defined terms of reference. The committees are the Audit, Risk & Governance Committee, the Finance & Performance Committee and the Human Resources Committee.

Internal control

The Board is responsible for ensuring that the Group has established and maintains an effective system of internal control. The operation of internal control is delegated to the Senior Leadership Team on a day to day basis; however the Board reviews the operation of those controls in the following ways. Internal financial controls ensure the reliability of financial information, the maintenance of proper accounting records and the safeguarding of assets against unauthorised use or disposition.

The organisation has a clearly defined organisational structure based upon a system of delegation and authorisation, which includes the Board where appropriate. The levels of authority are set out in internal policies and similar documents which have been adopted by the Board and are subject to periodic review. These are supported by detailed procedures which seek clearly to define operations, controls and authorisation levels and limitations so as to ensure the completeness, accuracy and reliability of transactions and information.

The Board reviews the effectiveness of the system of internal control through participation in the Audit, Risk & Governance Committee. That Committee reviews reports from management, from the internal auditors and from the external auditors and seeks to obtain reasonable assurance that control procedures are in place and are being followed. This includes a review of the major risks facing the Group. The Audit, Risk & Governance Committee approves an annual internal audit plan, considers recommendations and agrees appropriate responses and action with the Senior Executive Officers. The Committee generally meets four times during the year. The internal auditors also attend meetings and they have unrestricted access to the Chair of the Committee. The Senior Executive Officers attend meetings when required. The minutes of the Committee are formally recorded. The Board receives the annual report of the internal auditors.

The Internal Audit Plan reflects the risk management policy and the risk register so that internal audit resources are directed towards testing the risks and their control mechanisms which the policy identifies. Control is further reinforced by comprehensive measurement of, analysis of, and reporting and acting upon, performance data. The Audit, Risk & Governance Committee regularly reviews the risk register. The Board regularly reviews the risk appetite statement.

The Group develops and monitors progress against a 3 year strategy, which is reviewed by the Board. A detailed annual budget, operational plan and cash flow projections are prepared. The Finance & Performance Committee reviews these documents in detail and receives regular performance reports from the Senior Executive Officers, including management accounts and performance indicators, which are prepared promptly. These are compared with the planning and budgeting documents to monitor key business and financial activities and identify any activities or developments which require intervention or modification. The Committee generally meets four times during the year.

All new initiatives, major commitments and investment projects are subject to formal appraisal and authorisation procedures by the Board.

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report

Internal control (continued)

The Human Resources Committee supports the Board in matters relating to organisational structure and resourcing, staff employment terms and conditions, board and staff learning and development, and grievance and disciplinary matters. It also ensures that the Board retains an appropriate structure, size and balance of skills to support the strategic objectives and values of Co-Ownership, and meets its responsibilities regarding Executive level recruitment, performance and remuneration. It liaises on various matters relating to the management and development of human resources strategy, policy and practices within the organisation, both statutory and in terms of good practice/public policy directives. The Committee generally meets four times during the year.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that the key business objectives and expected outcomes will be achieved. The system of control also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguard of Co-Ownership's assets and interests. The organisation is committed to the highest standards of quality, probity, openness and accountability and has in place a confidential reporting system.

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of changes in credit risk, price risk and interest rate risk. The programme of capital investment is financially dependent on the continued availability of government funding. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by regular review of activity levels against changing market conditions and adjustment to cashflow projections accordingly, with regular financial stress testing performed. The Group liaises with lenders, financial adviser networks and independent financial advisers on an ongoing basis to keep up to date with other products in the market place.

Credit risk
Levels of rent collectibles are set in line with the corporate plan and cashflow forecasts. Strict procedures are in place and levels of arrears are regularly reviewed, monitored and reported to the Board.

Price risk
The Group is exposed to changes in the housing market. In order to ensure the Group is receiving value for money on the properties it purchases and sells, each property is valued by a professional external valuer prior to entering into a contract. The nature of operations undertaken by the Group exposes it to a number of inherent price risk factors. By rigidly adhering to its procurement policy, in line with public sector tendering requirements, the Group is customarily able to determine and agree favourable prices. Therefore, the risk management strategies and operational processes employed by the Group ensure that such exposure is controlled.

Interest rate risk
The Group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances which are held on deposit. Interest bearing liabilities consist of bank loans that bear interest at normal commercial rates. In order to manage the impact of interest rate fluctuations the Group has implemented a hedging strategy. Cash deposits are spread across various banks to mitigate counterparty risk.

Non- financial risk management

The Group's operations are exposed to a variety of non-financial risks that include operational, market and environmental risks. The Group has in place a risk management system that seeks to identify, measure, mitigate and monitor these risks.

Operational risk
Good systems, processes and people reduce operational risks. Changes, including digital transformation and development of new products, are rigorously tested before launching. Information security protocols are followed and regularly audited. Conveyancing of properties are managed by legal professionals.

Market risk
Delivery of housing programmes is dependent upon the housing market, consumer demand, government support and mortgage lender appetite for Co-Ownership products. Stakeholder engagement and raising product awareness are key tools in managing market risk.

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report

Non- financial risk management (continued)

Environmental risk
Climate change presents an increasing risk to Co-Ownership. The Government has targets under the Climate Change Act 2008 to reach ‘net zero’ carbon emissions by 2050. Meeting this target will require a range of actions across sectors of the economy, including housing, that are responsible for emissions. Co-Ownership continues to develop plans in response to climate change.

Health and safety
The Group is committed to achieving the highest practicable standards in health and safety management and strives to make its offices a safe environment for both employees and customers alike. As an organisation we have invested in providing information, training, instruction and supervision to all employees and will continue to invest resources in ensuring the office remains a safe work environment.

Human resources

The Group’s most important resource is its people; their knowledge and experience are crucial to meeting customer requirements and organisational objectives. At 31 March 2024 the team delivering these requirements and objectives comprised 59 employees and the Board comprised 12 members. Co-Ownership holds an Investor in People accreditation reflecting the good management of its people. Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures are in place to maintain standards of performance.

Regulation

Co-Ownership’s principal regulator is the Department for Communities (DfC). The latest published regulatory judgement related to the year 2022/23 with the following ratings being received.

Area of operations:	*Rating:*
Financial Standard	Meets the requirements
Governance Standard	Meets the requirements
Overall	Meets the requirements

Statement of the Board of Management’s responsibilities

The Board is responsible for preparing the financial statements in accordance with applicable laws and regulations.

The Industrial and Provident Societies Act (Northern Ireland) 1969 and registered housing association legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of the Co-Ownership’s affairs and of its surplus or deficit for that period. In preparing these statements the Board is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that Co-Ownership 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 Co-Ownership and to enable them to ensure that the financial statements comply with the Industrial and Provident Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. It has general responsibility for the taking of reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management for the year ended 31 March 2024

Statement of disclosure of information to auditors

So far as each of the members of the Board in office at the date of approval of these financial statements are aware:

- there is no relevant audit information of which the Group's auditors are unaware; and
- it has taken all the steps that it ought to have taken as the Board in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Independent auditors

BDO were the auditors throughout the year. BDO have indicated their willingness to continue in office, and a resolution proposing their reappointment will be proposed at the Annual General Meeting.

By order of the Board

David Little
Chair of the Board of Management
26 September 2024

Northern Ireland Co-Ownership Housing Association Limited

Independent auditors' report to the members of Northern Ireland Co-Ownership Housing Association Limited

Opinion on the financial statements

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the consolidated and Co-Ownership statements of comprehensive income, the consolidated and Co-Ownership statements of changes in reserves, the consolidated and Co-Ownership statements of financial position as at 31 March 2024 and the consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Northern Ireland Co-Ownership Housing Association Limited's group financial statements and the 'Co-Ownership's' financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the Co-Ownership's affairs as at 31 March 2024 and of the group's and Co-Ownership's surplus and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, The Charities Act (Northern Ireland) 2008, The Housing (Northern Ireland) Order 1992, The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 and The Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the Co-Ownership'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 of management with respect to going concern are described in the relevant sections of this report.

Northern Ireland Co-Ownership Housing Association Limited

Independent auditors’ report to the members of Northern Ireland Co-Ownership Housing Association Limited (continued)

Other information

Responsibilities for the financial statements and the audit

The Board of Management are 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. 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 course of 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 this gives rise to 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.

Responsibilities of the Board of management for the financial statements

As explained more fully in the Statement of the Board of Management’s responsibilities, the Board of management 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 of Management 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 of management is responsible for assessing the group’s and the Co-Ownership’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 of management either intends to liquidate the group or the Co-Ownership’s or to cease operations, or has no realistic alternative but to do so.

Auditors’ 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 auditors’ 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and the regulatory framework applicable to the group and the Co-Ownership and the industry in which it operates and considered the risk of acts by the group and the Co-Ownership which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, The Charities Act (Northern Ireland) 2008, the Housing (Northern Ireland) Order 1992, The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 and The Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993, FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Northern Ireland Co-Ownership Housing Association Limited

Independent auditors' report to the members of Northern Ireland Co-Ownership Housing Association Limited (continued)

We focused on laws and regulations that could give rise to material misstatement in the financial statements. Our tests included but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation.
- enquiries of management; and
- considering the effectiveness of the control environment and monitoring compliance with laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits, we addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Other required reporting

Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 exception reporting

Under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 exception reporting

Under the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 we are required to report to you if, in our opinion:

- sufficient accounting records have not been kept in respect of the Co-Ownership.
- the Co-Ownership's financial statements are not in agreement with the accounting records.
- we have not received all the information and explanations we require for our audit; or
- information contained in the financial statements is inconsistent in any material respect with the report of the Board of Management for the year ended 31 March 2024.

We have no exceptions to report arising from this responsibility.

Northern Ireland Co-Ownership Housing Association Limited

Independent auditors’ report to the members of Northern Ireland Co-Ownership Housing Association Limited (continued)

Use of this report

This report is made solely to the Co-Ownership as a body in accordance with section 43 of The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, section 65 of The Charities Act (Northern Ireland) 2008, regulations made under 66 of that Act (Part 4 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015), and article 19 of The Housing (Northern Ireland) Order 1992 and for no other purpose. Our audit work has been undertaken so that we might state to the group’s and the Co-Ownership’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 group and the Co-Ownership and the group’s and the Co-Ownership’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Nigel V W Harra, senior statutory auditor
For and on behalf of BDO Northern Ireland
Metro Building, 1st Floor
6-9 Donegall Square South
Belfast
BT1 5JA

Date: 26 September 2024

Northern Ireland Co-Ownership Housing Association Limited

Consolidated statement of comprehensive income for the year ended 31 March 2024

	Note	**2024** £	2023 £
Turnover	5	**43,779,049**	50,220,282
Cost of sales	5	**(23,402,324)**	(29,304,681)
Operating costs	5	**(5,457,071)**	(5,864,354)
Release of impairment of housing properties	13	**700,000**	800,000
Operating surplus	6	**15,619,654**	15,851,247
Loss on disposal of housing properties	9	**(142,225)**	(122,457)
Interest receivable and similar income	10	**3,492,123**	1,231,574
Interest payable and similar charges	11	**(1,081,596)**	(1,217,226)
Surplus before tax		**17,887,956**	15,743,138
Taxation	12	**(8,138)**	(58,965)
Surplus for the financial year		**17,879,818**	15,684,173
Actuarial (deficit)/surplus recognised in pension scheme	24	**(15,000)**	6,716,000
Total comprehensive income for the financial year		**17,864,818**	22,400,173

All amounts above relate to the continuing operations of the Group.

Consolidated statement of changes in reserves for the year ended 31 March 2024

	Note	**2024** £	2023 £
Surplus for the financial year		**17,879,818**	15,684,173
Actuarial (deficit)/surplus recognised in pension scheme	24	**(15,000)**	6,716,000
Net movement in capital and reserves		**17,864,818**	22,400,173
Opening total capital and reserves		**141,738,524**	119,338,351
Closing total capital and reserves		**159,603,342**	141,738,524

Northern Ireland Co-Ownership Housing Association Limited

Co-Ownership statement of comprehensive income for the year ended 31 March 2024 *(Association only)*

	Note	2024	2023
		£	£
Turnover	5	**42,220,610**	48,875,837
Cost of sales	5	**(22,151,893)**	(28,258,331)
Operating costs	5	**(5,376,137)**	(5,799,041)
Donations received	33	**500,000**	30,000
Release of impairment of housing properties	13	**700,000**	800,000
Operating surplus	6	**15,892,580**	15,648,465
Loss on disposal of housing properties	9	**(142,225)**	(122,457)
Interest receivable and similar income	10	**3,171,205**	1,115,135
Interest payable and similar charges	11	**(1,081,596)**	(1,217,226)
Surplus for the financial year		**17,839,964**	15,423,917
Actuarial (deficit)/surplus recognised in pension scheme	24	**(15,000)**	6,716,000
Total comprehensive income for the financial year		**17,824,964**	22,139,917

All amounts above relate to the continuing operations of Co-Ownership.

Co-Ownership statement of changes in reserves for the year ended 31 March 2024 *(Association only)*

		2024	2023
	Note	**£**	£
Surplus for the financial year		**17,839,964**	15,423,917
Actuarial (deficit)/surplus recognised in pension scheme	24	**(15,000)**	6,716,000
Net movement in capital and reserves		**17,824,964**	22,139,917
Opening total capital and reserves		**140,971,585**	118,831,668
Closing total capital and reserves		**158,796,549**	140,971,585

Northern Ireland Co-Ownership Housing Association Limited

Consolidated statement of financial position as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Housing properties	13	**517,312,756**	489,479,679
Other tangible assets	16	**264,301**	202,878
		517,577,057	489,682,557
Current assets			
Stock	17	**1,959,660**	2,093,579
Debtors	18	**1,717,229**	379,830
Investments	19	**68,757,253**	78,687,610
Cash at bank and in hand		**6,174,772**	10,219,420
		78,608,914	91,380,439
Creditors: amounts falling due within one year	21	**(10,366,680)**	(11,254,164)
Net current assets		**68,242,234**	80,126,275
Total assets less current liabilities		**585,819,291**	569,808,832
Creditors: amounts falling due after more than one year	22	**(426,215,949)**	(428,070,308)
Net assets excluding pension surplus/(deficit)		**159,603,342**	141,738,524
Pension surplus/(deficit)	24	**-**	-
Net assets including pension surplus/(deficit)		**159,603,342**	141,738,524
Capital and reserves			
Called up share capital	25	**34**	34
Revenue reserves	26	**3,740,293**	3,531,006
Designated reserves	27	**155,863,015**	138,207,484
Total capital and reserves		**159,603,342**	141,738,524

The financial statements on pages 13 to 40 were approved by the Board of Management on 26 September 2024 and were signed on its behalf by:

David Little – **Board Member**

Mark Graham – **Chief Executive**

Philip Price – **Board Member**

Registered number: 200IP
Charity Registration Number: NIC101435

Northern Ireland Co-Ownership Housing Association Limited

Co-Ownership statement of financial position as at 31 March 2024 *(Association only)*

	Note	**2024 £**	2023 £
Fixed assets			
Housing properties	13	**513,179,460**	485,834,904
Other tangible assets	15	**264,301**	202,878
Investments	16	**300,001**	300,001
		513,743,762	486,337,783
Current assets			
Stock	17	**1,959,660**	2,093,579
Debtors	18	**1,683,404**	357,429
Investments	19	**63,250,705**	70,582,528
Cash at bank and in hand		**5,096,412**	8,220,644
		71,990,181	81,254,180
Creditors: amounts falling due within one year	21	**(10,221,445)**	(11,050,070)
Net current assets		**61,768,736**	70,204,110
Total assets less current liabilities		**575,512,498**	556,541,893
Creditors: amounts falling due after more than one year	22	**(416,715,949)**	(415,570,308)
Net assets excluding pension surplus/(deficit)		**158,796,549**	140,971,585
Pension surplus/(deficit)	24	**-**	-
Net assets including pension surplus/(deficit)		**158,796,549**	140,971,585
Capital and reserves			
Called up share capital	25	**34**	34
Revenue reserves	26	**2,933,500**	2,764,067
Designated reserves	27	**155,863,015**	138,207,484
Total capital and reserves		**158,796,549**	140,971,585

The financial statements on pages 13 to 40 were approved by the Board of Management on 26 September 2024 and were signed on its behalf by:

David Little – **Board Member**

Mark Graham – **Chief Executive**

Philip Price – **Board Member**

Registered number: 200IP
Charity Registration Number: NIC101435

Northern Ireland Co-Ownership Housing Association Limited

Consolidated statement of cash flows for the year ended 31 March 2024

	Notes	**2024**	2023
		£	£
Net cash inflow from operating activities	29	**9,939,403**	**8,688,621**
Tax paid		**(67,809)**	**(42,776)**
		9,871,594	**8,645,845**
Investing activities			
Purchase of properties		**(52,093,313)**	**(43,425,150)**
Housing Association Grant received for purchase of properties		**1,400**	**6,300**
Sale of properties		**29,932,957**	**38,008,660**
Housing Association Grant repaid on sale of properties		**(8,986,971)**	**(17,802,919)**
Purchase of other tangible fixed assets		**(157,027)**	**(81,930)**
Interest received		**2,278,705**	**1,133,766**
Net cash used in investing activities		**(29,024,249)**	**(22,161,273)**
Cash flows used in financing activities			
New term loans		**14,250,000**	**36,250,000**
Repayment of loans		**(8,000,000)**	**(3,750,000)**
Interest paid		**(1,072,350)**	**(1,065,226)**
Net cash used in financing activities		**5,177,650**	**31,434,774**
Net increase in cash and cash equivalents		**(13,975,005)**	**17,919,346**
Cash and cash equivalents at the beginning of the year		**88,907,030**	**70,987,684**
Cash and cash equivalents at the end of the year	20	**74,932,025**	**88,907,030**

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024

1 General information

Co-Ownership's principal activity is the provision of affordable housing on a shared ownership basis. Co-Ownership is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and domiciled in the UK. The address of the registered office is Moneda House, 25-27 Wellington Place, Belfast, BT1 6GD.

2 Statement of compliance

These financial statements of Northern Ireland Co-Ownership Association Limited have been prepared on the going concern basis in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, ‘‘The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland’’ (‘‘FRS 102’’), in accordance with applicable accounting standards in the United Kingdom and Statement of Recommended Practice for Accounting by Registered Social Landlords (updated 2018). The principal accounting policies, which have been applied consistently throughout the year, are set out below. The presentation of the financial statements complies with the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

Disclosure exemptions

In preparing the separate financial statements of the Association, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement or net debt reconciliation has been presented for the Association.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Group has adopted FRS 102 in these financial statements.

The significant accounting policies adopted by the Group are as follows:

Basis of preparation of financial statements

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Co-Ownership accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Basis of consolidation

The consolidated statement of comprehensive income and consolidated statement of financial position are made up to 31 March 2024. Intra group transactions, any unrealised profits/losses arising and intercompany balances are eliminated fully on consolidation.

Going concern

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

3 Summary of significant accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Group and Co-Ownership and value added taxes. The Group and Co-Ownership bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash and cash equivalents is deferred and the arrangement constitutes a financing transaction, the fair value of the consideration is measured at the present value of all future receipts using the imputed rate of interest. The Group and Co-Ownership recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group and Co-Ownership retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow through the Group and Co-Ownership and (e) when the specific criteria relating to each of the Group and Co-Ownership's sales channels have been met, as described below and in note 5.

i) Rental income

Income represents rental income receivable. Rental income is recognised from the point that the properties are formally let and spread over the rental term.

ii) First tranche equity sales

Proceeds from the first tranche disposals are accounted for as turnover in the Statement of comprehensive income in the period in which the disposal occurs which is the legal completion date.

Donations received

Donations received are recognised in the Statement of comprehensive income when the donation is received.

Value added tax

The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs.

Current taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and defined benefit pension plans.

i) Short term benefits

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

3 Summary of significant accounting policies (continued)

ii) Pension funding

Retirement benefits to employees of Co-Ownership are provided by the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme.

In respect of this scheme, Co-Ownership's staff constitutes only a small percentage of the overall membership. Co-Ownership has no influence over the level of contributions.

The assets of the NILGOSC scheme are held separately from those of Co-Ownership. Co-Ownership has adopted FRS 102 section 28 'Employee benefits' in these financial statements. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability. The movement in the present value of the liabilities of Co-Ownership's defined benefit pension scheme arising from employee service in the year is charged to the statement of comprehensive income. Under FRS 102, a net interest expense, based on the net defined benefit liability, is recognised in the statement of comprehensive income. A net defined benefit asset is only recognised to the extent that the surplus is able to be recovered either through reduced contributions in the future or through refunds from the scheme.

The contributions are determined by qualified actuaries on the basis of triennial valuations, using a projected unit method.

Tangible fixed assets

i) Housing properties

Housing properties are stated at cost which is purchase price together with any incidental costs of acquisition. These properties are effectively purchased concurrently by Co-Ownership and participants and so are disclosed in fixed assets at the cost to Co-Ownership with the participants' net investment also disclosed in the housing properties note to the financial statements.

Housing properties are not depreciated as the Group estimates that the residual value is higher than the historical cost before charging any depreciation.

ii) Impairment

Any impairment in the value of the housing properties is charged to the statement of comprehensive income in the year in which it is first recognised. A reversal of impairment is recognised in the statement of comprehensive income.

iii) Other fixed assets

Other fixed assets are stated at cost.

iv) Other tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their historic purchase cost, together with any incidental costs of acquisition. Depreciation is calculated after allowing for grants received, so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

	%
Office equipment	25
Fixtures and fittings	10

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

3 Summary of significant accounting policies (continued)

v) Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of comprehensive income.

Housing Association Grant and other grants

Housing Association Grant and other grants received are included within 'Creditors: amounts falling due after more than one year' and 'Creditors: amounts falling due within one year'. Housing Association Grant received against revenue expenditure is credited to revenue in the period in which the related expenditure is charged.

Such grants, although treated as a grant for accounting purposes, may be repayable under certain circumstances, primarily following the sale of housing property, but any amount repayable would be restricted to the original grant amount.

Housing Association Grants received are capital grants and as they relate to house purchases are not recognised in the statement of comprehensive income, rather they are held as a liability on the balance sheet until the housing investment is sold at which point the grant is repaid.

Other grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met.

Stock

The costs relating to expected future property sales are transferred from housing properties in fixed assets to inventories for sales occurring one month following the year end.

Current asset investments

Current asset investments are short-term, liquid deposits with an original maturity between one and twelve months. All current asset investments are classified as cash equivalents within the financial statements.

Cash and cash equivalents

Cash consists of cash at bank and in hand. Cash equivalents consist of short-term, highly liquid deposits held at call or at notice with banks with original maturities of twelve months or less.

Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful for collection.

Housing loans

All borrowings are initially stated at the fair value of the consideration received. Finance costs are charged to the income and expenditure account over the term of the borrowings. Interest payable but not yet paid at the year-end is shown as accrued interest within creditors due within one year.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

3 Summary of significant accounting policies (continued)

Impairment of non-financial assets

At each statement of financial position date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the assets.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of income and retained earnings, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of income and retained earnings.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of income and retained earnings.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligations can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Operating leases

Annual rentals on operating leases are charged to profit or loss on a straight-line basis over the term of the lease.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

3 Summary of significant accounting policies (continued)

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the expected realisable value of the asset. The impairment loss is recognised in Statement of income and retained earnings.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in Statement of income and retained earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or, (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and other borrowings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Revenue reserves

Co-Ownership's policy is to retain a level of free reserves, which matches its needs at the current time and in the foreseeable future. The reserves required are sufficient to meeting committed running costs for a period equivalent to six months budgeted future expenditure.

Designated reserve - property purchase

All other reserves are treated as designated reserves as they are used to fund Co-Ownership's investment in housing properties and thus are not available for future general use. Transfers between reserves are made to retain committed running costs for a period equivalent to six months of budgeted future expenditure within the Revenue reserve.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the Group financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgement in applying the entity's accounting policies

The following judgement, apart from those involving estimates, made by the directors has had significant effect on the amounts recognised in the financial statements;

Co-Ownership provides housing on a shared ownership basis. Under the arrangement Co-Ownership has with a lender on an individual property, the lender ranks in priority to Co-Ownership and therefore if the borrower fails to pay the lender, the property could be repossessed by that lender. Co-Ownership has incurred losses on repossessed properties over recent years. As a result, it is necessary to recognise an impairment provision for future losses expected on the repossession of such properties. When calculating the provision management consider the historical losses incurred, and current property values based on recent transactions and apply an expected loss ratio to the book value of properties.

Estimation uncertainty in applying the entity's accounting policies

In preparing the financial statements the recoverability of debtors and the level of impairment on housing properties has been considered.

A provision for bad debts has been made for the estimated amount of debtors that are considered to be unrecoverable. The level of provision held at the year end is set out in note 18.

A provision for the impairment on housing assets has been made for the estimated amount of investment that is considered to be unrealisable. Management take into account factors including the broader Northern Ireland property market, the yield level of the properties and other known factors as part of this consideration. There has been a release of £0.7m this year due to the improvement in the housing market since the prior year end. The level of impairment provision at the year end is set out in note 13.

The underlying assumptions relating to the valuation of the Group's defined benefit pension scheme position include estimates of inflation, mortality, discount rate and anticipated salary increases. The Group uses the Group's actuaries to value the scheme's assets and liabilities. The assumptions used are also provided by the Group's actuaries and have not been adjusted. Variations in these assumptions, along with movements in asset valuations, can be expected to significantly alter the net pension position from year to year. The directors have adopted a policy of not recognising a net pension scheme asset as they do not believe it to be recoverable.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

5 Lettings and other related information

	Group		Co-Ownership	
	2024	2023	**2024**	2023
Turnover	**£**	£	**£**	£
Rents (see below)	**15,498,583**	14,481,396	**15,363,644**	14,319,451
First Tranche Sales (note 9)	**28,280,466**	35,738,886	**26,856,966**	34,556,386
	43,779,049	50,220,282	**42,220,610**	48,875,837
Cost of sales				
Rents	**(102,302)**	(101,281)	**(102,302)**	(101,281)
First Tranche Sales (note 9)	**(23,300,022)**	(29,203,400)	**(22,049,591)**	(28,157,050)
	(23,402,324)	(29,304,681)	**(22,151,893)**	(28,258,331)
Operating costs				
Management expenses (exc. Non cash pension)	**(5,244,023)**	(4,927,007)	**(5,164,571)**	(4,862,582)
Non cash pension costs	**(13,000)**	(652,000)	**(13,000)**	(652,000)
Valuation fees	**(236,090)**	(302,955)	**(234,608)**	(302,067)
Bad debt released/(written off)	**36,042**	17,608	**36,042**	17,608
	(5,457,071)	(5,864,354)	**(5,376,137)**	(5,799,041)
Donations received (note 33)	**-**	-	**500,000**	30,000
Release of impairment of housing properties (note 13)	**700,000**	800,000	**700,000**	800,000
Operating surplus	**15,619,654**	15,851,247	**15,892,580**	15,648,465
Loss on disposal of housing properties (note 9)	**(142,225)**	(122,457)	**(142,225)**	(122,457)
Interest receivable and similar income (note 10)	**3,492,123**	1,231,574	**3,171,205**	1,115,135
Interest payable and similar charges (note 11)	**(1,081,596)**	(1,217,226)	**(1,081,596)**	(1,217,226)
Surplus before taxation for the year	**17,887,956**	15,743,138	**17,839,964**	15,423,917

	Group		Co-Ownership	
Turnover from lettings	**2024**	2023	**2024**	2023
	£	£	**£**	£
Rents	**15,359,391**	14,284,214	**15,224,452**	14,122,269
Processing fees	**139,192**	197,182	**139,192**	197,182
	15,498,583	14,481,396	**15,363,644**	14,319,451

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

5 Lettings and other related information (continued)

Analysis of Operating costs	Group		Co-Ownership	
	2024	2023	**2024**	2023
	£	£	**£**	£
Personnel				
Salaries (excluding pensions)	**2,967,612**	2,888,550	**2,950,510**	2,873,298
Pension contributions	**475,118**	476,131	**475,118**	476,131
Other staff costs	**109,014**	104,856	**109,014**	104,856
	3,551,744	3,469,537	**3,534,642**	3,454,285
Non cash pension costs	**13,000**	652,000	**13,000**	652,000
	3,564,744	4,121,537	**3,547,642**	4,106,285
Establishment				
Property costs	**470,580**	430,589	**420,663**	390,448
Telephone	**25,180**	27,317	**25,180**	27,317
Depreciation	**95,605**	90,490	**95,605**	90,490
	591,365	548,396	**541,448**	508,255
Administration				
Administration overheads	**147,661**	126,270	**147,661**	126,270
Computer costs	**239,597**	198,585	**239,597**	198,585
Professional fees	**129,845**	120,556	**118,999**	113,191
Project costs	**74,027**	49,888	**74,027**	49,888
General expenses	**125,992**	119,882	**124,405**	118,215
Repairs	**82,045**	12,532	**82,045**	12,532
Marketing	**269,240**	254,858	**269,240**	254,858
Credit Agency	**32,507**	26,503	**32,507**	26,503
	1,100,914	909,074	**1,088,481**	900,042
Total Management expenses	**5,257,023**	5,579,007	**5,177,571**	5,514,582
Valuation fees	**236,090**	302,955	**234,608**	302,067
Bad debt released	**(36,042)**	(17,608)	**(36,042)**	(17,608)
Total Operating costs	**5,457,071**	5,864,354	**5,376,137**	5,799,041

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

6 Operating surplus

	Group		Co-Ownership	
	2024	2023	**2024**	2023
	£	£	**£**	£
Operating surplus is stated after charging:				
Staff costs, excluding pension (note 7)	**2,967,612**	2,888,550	**2,950,510**	2,873,298
Pension (note 7) – contributions	**475,118**	476,131	**475,118**	476,131
– other pension costs	**13,000**	652,000	**13,000**	652,000
Depreciation of tangible fixed assets				
– owned assets (note 15)	**95,605**	90,490	**95,605**	90,490
Operating lease rentals	**268,646**	245,651	**268,646**	245,651
Fees payable to the Group's auditor for the audit of the financial statements	**40,500**	39,000	**37,250**	36,000
Fees payable to the Group's auditor for non-audit services – tax compliance	**2,950**	2,950	**-**	-
Fees payable to the Group's auditor for non-audit services - other	**3,250**	3,125	**2,150**	2,000

7 Employee information

	Group		Co-Ownership	
	2024	2023	**2024**	2023
	£	£	**£**	£
Staff costs				
Wages and salaries	**2,685,874**	2,594,830	**2,668,772**	2,579,578
Social security costs	**281,738**	293,720	**281,738**	293,720
	2,967,612	2,888,550	**2,950,510**	2,873,298
Pension contributions	**475,118**	476,131	**475,118**	476,131
	3,442,730	3,364,681	**3,425,628**	3,349,429
Other pension costs	**13,000**	652,000	**13,000**	652,000
	3,455,730	4,016,681	**3,438,628**	4,001,429

Co-Ownership staff costs includes redundancy costs of £85,942 (2023: £Nil).

	2024 Number	2023 Number
Average monthly number of persons employed by the Group and Co-Ownership (including the Chief Executive and excluding the board members) during the year by activity:		
- Permanent	**60**	62
- Temporary	**-**	1
Administration and finance	**60**	63

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

7 Employee information (continued)

During the period employee benefits (excluding pension contributions) outside of key management emoluments of more than £60,000 fell within the following band distributions:

	2024 Number	2023 Number
More than £60,000 but not more than £70,000	**4**	4
More than £70,000 but not more than £80,000	**1**	-

8 Key management emoluments

The remuneration of the key management (compromising the Chief Executive and senior personnel) of the Group and Co-Ownership during the year was:

	Group		**Co-Ownership**	
	2024	2023	**2024**	2023
	£	£	**£**	£
Aggregate emoluments	**391,838**	360,468	**391,838**	360,468
Pension contributions to money purchase schemes	**68,980**	63,803	**68,980**	63,803
	460,818	424,271	**460,818**	424,271

Members of the Board of Management serve in a voluntary capacity and none were in receipt of emoluments during the year.

The emoluments to the highest paid key management included within the above table are as follows:

	Group		**Co-Ownership**	
	2024	2023	**2024**	2023
	£	£	**£**	£
Aggregate emoluments	**124,242**	117,764	**124,242**	117,764
Pension contributions	**21,897**	20,966	**21,897**	20,966
	146,139	138,730	**146,139**	138,730

During the period the key management emoluments (excluding pension contributions) fell within the following band distributions:

	2024 Number	2023 Number
More than £75,000 but not more than £80,000	**-**	1
More than £80,000 but not more than £85,000	**1**	2
More than £90,000 but not more than £95,000	**2**	-
More than £115,000 but not more than £120,000	**-**	1
More than £120,000 but not more than £125,000	**1**	-

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

9 Surplus on sale of housing properties

	Group		Co-Ownership	
	2024	2023	**2024**	2023
	£	£	**£**	£
Sales - first tranche sales	**28,280,466**	35,738,886	**26,856,966**	34,556,386
Cost of sales - first tranche sales	**(23,300,022)**	(29,203,400)	**(22,049,591)**	(28,157,050)
	4,980,444	6,535,486	**4,807,375**	6,399,336
Loss on disposal of housing properties – second tranche and after	**(142,225)**	(122,457)	**(142,225)**	(122,457)
Release of provision for impairment of housing properties (note 13)	**700,000**	800,000	**700,000**	800,000
	5,538,219	7,213,029	**5,365,150**	7,076,879

Comprising:

	£	£	**£**	£
Repossession of properties	**(170,685)**	(938,537)	**(170,685)**	(938,537)
Surplus on disposal	**5,008,904**	7,351,566	**4,835,835**	7,215,416
Release of impairment of housing properties	**700,000**	800,000	**700,000**	800,000
	5,538,219	7,213,029	**5,365,150**	7,076,879

As at 31 March 2024, there were 12 (2023: 8) properties remaining in repossession status.

10 Interest receivable and similar income

	Group		Co-Ownership	
	2024	2023	**2024**	2023
	£	£	**£**	£
Interest receivable	**3,464,123**	1,231,574	**3,143,205**	1,115,135
Interest on pension scheme	**28,000**	-	**28,000**	-
	3,492,123	1,231,574	**3,171,205**	1,115,135

11 Interest payable and similar charges

	Group		Co-Ownership	
	2024	2023	**2024**	2023
	£	£	**£**	£
Interest payable	**1,081,596**	1,065,226	**1,081,596**	1,065,226
Interest on pension scheme	**-**	152,000	**-**	152,000
	1,081,596	1,217,226	**1,081,596**	1,217,226

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

12 Taxation on profit on ordinary activities

	Group		Co-Ownership	
	2024	2023	**2024**	2023
	£	£	**£**	£
UK corporation tax charge on profit for the year	**8,138**	58,965	**-**	-
Total current tax	**8,138**	58,965	**-**	-

Reconciliation of tax expense
The tax assessed on the profit on ordinary activities for the year is lower than (2023: lower than) the standard rate of corporation tax in the UK of 25% (2023: 19%).

	2024	2023
	£	£
Surplus on ordinary activities before taxation	**17,887,956**	15,743,138
Surplus on ordinary activities by rate of tax	**4,471,898**	2,991,196
Marginal relief	**(1,155)**	-
Charitable income not chargeable to tax	**(4,459,991)**	(2,930,544)
Adjustment to tax in respect of previous periods	**(2,614)**	(1,687)
Tax on profit	**8,138**	58,965

As Co-Ownership is a charitable entity it does not pay corporation tax. The tax charge above relates to the subsidiary Ownco Homes Limited.

13 Housing properties

Group	**Cost** **£**	**Participants' Investment** **£**	**Group Housing Investment**
At 1 April 2023	1,163,526,346	670,219,220	493,307,126
Transfers of completed schemes and additions in the year	117,136,670	65,216,270	51,920,400
Disposals	(50,582,331)	(27,581,756)	(23,002,575)
Transferred to stock	(5,725,600)	(3,765,940)	(1,959,660)
At 31 March 2024	**1,224,355,085**	**704,087,794**	**520,265,291**
Impairment			
At 1 April 2023			(4,600,000)
Released in the year			700,000
At 31 March 2024			**(3,900,000)**
Uncompleted schemes and additions			
Balance at 1 April 2023			772,553
Additions			52,095,313
Transfers			(51,920,401)
At 31 March 2024			**947,465**
At 31 March 2024			**517,312,756**
At 31 March 2023			489,479,679

Notes to the financial statements for the year ended 31 March 2024 (continued)

13 Housing properties (continued)

Co-Ownership	Cost £	Participants' Investment £	Co-Ownership Housing Investment
At 1 April 2023	1,159,881,571	670,219,220	489,662,351
Transfers of completed schemes and additions in the year	115,406,729	65,216,270	50,190,459
Disposals	(49,342,911)	(27,581,756)	(21,761,155)
Transferred to stock	(5,725,600)	(3,765,940)	(1,959,660)
At 31 March 2024	**1,220,219,789**	**704,087,794**	**516,131,995**
Impairment			
At 1 April 2023			(4,600,000)
Released in the year			700,000
At 31 March 2024			**(3,900,000)**
Uncompleted schemes and additions			
Balance at 1 April 2023			772,554
Additions			50,365,370
Transfers			(50,190,459)
At 31 March 2024			**947,465**
At 31 March 2024			**513,179,460**
At 31 March 2023			485,834,904

The above properties are held subject to ninety-nine year leases to the occupiers. The leases give Co-Ownership power to repossess the properties in the event of non-compliance with any of the conditions set out in the lease. The occupier, known as the participant, currently contributes a minimum of 50% of the funding of the property.

Capital commitments

The total cost to finalise uncompleted schemes and additions amounts to £8,386,220 (2023: £8,303,145), of which £3,532,191 (2023: £3,433,911) represents Co-Ownership's investment. In addition, negotiations are in progress for the purchase of existing property at a total cost of £27,522,550 (2023: £20,747,145), of which £11,674,715 (2023: £8,697,204) represents Co-Ownership's investment.

Ownco Homes has capital commitments on housing properties contracted to but not completed at the year end of £383,204 (2023: £Nil).

14 Housing Association Grant

Group and Co-Ownership	2024 £	2023 £
At 1 April	**178,320,308**	191,183,830
Receivable in the year	**1,400**	6,300
Repayable - on disposal	**(8,105,759)**	(12,869,822)
At 31 March (note 22)	**170,215,949**	178,320,308

Housing Association Grant (HAG) repayable on disposal consists of amounts paid during the year of £4,182,000 (2023: £8,064,849) and amounts falling due within one year of £3,923,759 (2023: £4,804,973) (note 21).

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

15 Other tangible fixed assets

Group and Co-Ownership	Fixtures and fittings £	Office Equipment £	Total £
Cost			
At 1 April 2023	161,366	483,293	644,659
Additions	41	156,987	157,028
At 31 March 2024	**161,407**	**640,280**	**801,687**
Accumulated depreciation			
At 1 April 2023	47,575	394,206	441,781
Charge for the year	16,141	79,464	95,605
At 31 March 2024	**63,716**	**473,670**	**537,386**
Net book amount			
At 31 March 2024	**97,691**	**166,610**	**264,301**
At 31 March 2023	113,791	89,087	202,878

16 Fixed asset investments

Co-Ownership	**2024** **Subsidiary Undertaking** **£**	2023 Subsidiary Undertaking £
Cost	**300,001**	300,001

The investment represents Co-Ownership's holding in a wholly owned subsidiary company, Ownco Homes Limited.

17 Stock

Group and Co-Ownership	**2024** **£**	2023 £
Stock	**1,959,660**	2,093,579

This value represents the cost of housing properties held for sale at the year end. Any property that will be staircased or sold within one month of the year end has that element of the property moved from housing property to stock.

Stock is held at the lower of cost and net realisable value.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

18 Debtors

Amounts falling due within one year	Group		Co-Ownership	
	2024	2023	**2024**	2023
	£	£	**£**	£
Rent debtors	**352,742**	325,112	**335,459**	306,197
Less: bad debts provision	**(182,000)**	(171,000)	**(182,000)**	(171,000)
	170,742	154,112	**153,459**	135,197
Prepayments and accrued income	**1,546,487**	225,718	**1,529,945**	222,232
	1,717,229	379,830	**1,683,404**	357,429

19 Current asset investments

	Group		Co-Ownership	
	2024	2023	**2024**	2023
	£	£	**£**	£
Short term deposits	**68,757,253**	78,687,610	**63,250,705**	70,582,528

Current asset investments comprise deposits with an original maturity between one and twelve months. The Group manages risk by utilising a variety of institutions and accounts with the intention of holding these deposits to maturity to generate a return.

20 Cash and cash equivalents

	Group		Co-Ownership	
	2024	2023	**2024**	2023
	£	£	**£**	£
Cash at bank and in hand	**6,174,772**	10,219,420	**5,096,412**	8,220,644
Short term deposits (note 19)	**68,757,253**	78,687,610	**63,250,705**	70,582,528
	74,932,025	88,907,030	**68,347,117**	78,803,172

21 Creditors: amounts falling due within one year

	Group		Co-Ownership	
	2024	2023	**2024**	2023
	£	£	**£**	£
HAG repayable - on disposal	**3,923,759**	4,804,973	**3,923,759**	4,804,973
Participants' deposits	**246,196**	240,017	**117,879**	113,724
Other creditors	**511,019**	463,059	**511,019**	463,059
DfC Loans (note 23)	**5,000,000**	5,000,000	**5,000,000**	5,000,000
Corporation Tax	**8,138**	58,965	**-**	-
Accruals and deferred income	**677,568**	687,150	**668,788**	668,314
	10,366,680	11,254,164	**10,221,445**	11,050,070

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

22 Creditors: amounts falling due after more than one year

	Group		Co-Ownership	
	2024	2023	**2024**	2023
	£	£	**£**	£
Bank loan (note 23)	**30,000,000**	30,000,000	**30,000,000**	30,000,000
DfC loans (note 23)	**226,000,000**	219,750,000	**216,500,000**	207,250,000
Housing Association Grant (note 14)	**170,215,949**	178,320,308	**170,215,949**	178,320,308
	426,215,949	428,070,308	**416,715,949**	415,570,308

Security

The bank loan and DfC loan are secured by a floating charge over all the assets of Northern Ireland Co-Ownership Association Limited with the bank taking preference.

23 Loans and other borrowings

	Group		Co-Ownership	
	2024	2023	**2024**	2023
	£	£	**£**	£
Bank loans and overdrafts	**30,000,000**	30,000,000	**30,000,000**	30,000,000
Maturity of financial liabilities:				
Greater than five years	**30,000,000**	30,000,000	**30,000,000**	30,000,000

	Group		Co-Ownership	
	2024	2023	**2024**	2023
	£	£	**£**	£
Department for Communities loans	**231,000,000**	224,750,000	**221,500,000**	212,250,000
Maturity of financial liabilities:				
Due within one year	**5,000,000**	5,000,000	**5,000,000**	5,000,000
In more than one year, but not more than five years	**42,031,250**	34,156,250	**42,031,250**	34,156,250
Greater than five years	**183,968,750**	185,593,750	**174,468,750**	173,093,750
	231,000,000	224,750,000	**221,500,000**	212,250,000

The above loans from DfC relate to Financial Transactions Capital ("FTC"). The DfC loan is interest free and secured against the assets of the Group.

The Bank loan and unused facilities bear interest between 0.5% and 3.0% and are secured against the assets of the Group. At 31 March 2024 the Group had an undrawn revolving loan facility of £35m.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

24 Pension commitments

A net pension deficit shown below under section 28 of FRS 102 deals with accounting for employee benefits and does not represent a shortfall which requires short term cash funding. The amount shown below is calculated to comply with the Financial Reporting Standard, the specific requirements of which differ from the basis on which pension liabilities are actuarially calculated for the purpose of the ongoing funding of the scheme. The Financial Reporting Standard requires:

(i) actuarial deficiencies to be recognised immediately as a liability in the financial statements rather than being spread forward over employees' remaining service lives; and

(ii) the actuary, in valuing the scheme's liabilities, is required to use a bond yield as the discount rate for valuing future liabilities, rather than a rate that reflects the expected return on the scheme's particular asset portfolio, with the result of an apparent increase in the present value of future longer term liabilities.

The below is in relation to employees and ex-employees who are members of the NILGOSC pension scheme. NILGOSC pension scheme is considered a related party of Co-Ownership. The most recent valuation was conducted as at 31 March 2022 by a qualified actuary for the purpose of the disclosures below.

The major assumptions used by the actuary were:

Group and Co-Ownership	**2024**	2023	2022
Rate of increase in salaries	**4.10%**	4.20%	4.50%
Rate of increase in pensions in payment	**2.60%**	2.70%	3.00%
Discount rate	**4.80%**	4.70%	2.70%
Inflation assumption	**2.60%**	2.70%	3.00%

The mortality assumptions used were as follows:

Group and Co-Ownership	**2024 Years**	2023 Years	2022 Years
Longevity at age 65 for current pensioners:			
- Men	**21.7**	22.2	21.8
- Women	**24.6**	25.0	25.0
Longevity at age 45 for future pensioners:			
- Men	**22.7**	23.2	23.2
- Women	**25.6**	26.0	26.4

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

24 Pension commitments (continued)

The assets and liabilities in the scheme and the reconciliation to the statement of financial position were:

Group and Co-Ownership	Value at 31 March 2024 £'000	Value at 31 March 2023 £'000
Equities	**9,145**	7,541
Property	**2,030**	2,111
Bonds	**4,520**	4,449
Asset Credit	**2,783**	2,507
Cash	**1,172**	1,225
Other	**1,277**	1,018
Total market value of assets	**20,927**	18,851
Present value of scheme liabilities	**(18,666)**	(18,501)
Net pension surplus	**2,261**	350
Unrecognised asset	**(2,261)**	(350)
Net pension deficit recognised in statement of financial position	**-**	-

Reconciliation of fair value of scheme assets

Group and Co-Ownership	2024 £'000	2023 £'000
At 1 April	**18,851**	21,793
Interest income on assets	**889**	592
Member contributions	**178**	174
Employer contributions	**476**	551
Actuarial gains/(losses)	**1,089**	(3,767)
Benefits paid	**(556)**	(492)
At 31 March	**20,927**	18,851

The actual return on assets was a gain of £2.0m (2023: loss of £3.2m).

Reconciliation of present value of scheme liabilities

Group and Co-Ownership	2024 £'000	2023 £'000
At 1 April	**18,501**	27,705
Current service cost	**489**	1,128
Interest cost	**861**	744
Member contributions	**178**	174
Actuarial (gains)/ losses	**(807)**	(10,833)
Past service cost	**-**	75
Benefits paid	**(556)**	(492)
At 31 March	**18,666**	18,501

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

24 Pension commitments (continued)

Analysis of amount charged to income or expenditure are as follows:

Group and Co-Ownership	**2024** **£'000**	2023 £'000
Current service cost	**489**	1,128
Past service cost	**-**	75
Interest on net defined benefit scheme	**(28)**	152
Total cost	**461**	1,355

Amounts for current and previous four years:

Group and Co-Ownership	**2024** **£'000**	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Fair value of employer assets	**20,927**	18,851	21,793	20,126	16,361
Present value of defined benefit obligation	**(18,666)**	(18,501)	(27,705)	(28,493)	(21,832)
Surplus/(Deficit)	**2,261**	350	(5,912)	(8,367)	(5,471)

Total amount recognised in the statement of changes in reserves

Group and Co-Ownership	**2024** **£'000**	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Actuarial surplus/(deficit)	**(15)**	6,716	3,353	(2,414)	(905)

25 Called up share capital

Each past and present member of the Board of Management holds one non-equity share of £1 in Co-Ownership.

Group and Co-Ownership	**2024** **£**	2023 £
Allotted, issued and fully paid	**34**	34

There were no changes in share capital during the year.

26 Revenue reserves

	Group		**Co-Ownership**	
	2024	2023	**2024**	2023
	£	£	**£**	£
Opening reserves	**3,531,006**	3,028,089	**2,764,067**	2,716,000
Net transfer from designated reserves (note 27)	**209,287**	502,917	**169,433**	48,067
Closing reserves	**3,740,293**	3,531,006	**2,933,500**	2,764,067

The transfer from Designated reserves has been made on the basis that the closing Revenue reserves represent 6 months committed operating costs.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

27 Designated reserves

Property purchase reserve

Group	**2024** £	2023 £
At 1 April	**138,207,484**	116,310,228
Surplus for the year	**17,864,818**	22,400,173
Transfer to revenue reserve (note 26)	**(209,287)**	(502,917)
At 31 March	**155,863,015**	138,207,484

Co-Ownership	**2024** £	2023 £
At 1 April	**138,207,484**	116,115,634
Surplus for the year	**17,824,964**	22,139,917
Transfer to revenue reserve (note 26)	**(169,433)**	(48,067)
At 31 March	**155,863,015**	138,207,484

Designated reserves are the balance of reserves required to fund Co-Ownership’s investment in housing properties.

28 Financial Instruments

	Group		**Co-Ownership**	
	2024	2023	**2024**	2023
	£	£	**£**	£
Financial assets that are debt instruments measured at amortised cost				
Rental debtor (note 18)	**170,742**	154,112	**153,459**	135,197
Short term deposits (note 19)	**68,757,253**	78,687,610	**63,250,705**	70,582,528
Cash at bank and in hand	**6,174,772**	10,219,420	**5,096,412**	8,220,644
	75,102,767	89,061,142	**68,500,576**	78,938,369
Financial liabilities measured at amortised cost				
DfC loans (note 23)	**231,000,000**	224,750,000	**221,500,000**	212,250,000
Bank loans (note 23)	**30,000,000**	30,000,000	**30,000,000**	30,000,000
Participants’ deposits (note 21)	**246,196**	240,017	**117,879**	113,724
Accruals (note 21)	**677,568**	687,151	**668,786**	668,314
	261,923,764	255,677,168	**252,286,665**	243,032,038

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

29 Reconciliation of consolidated operating surplus to net cash inflow from operating activities

	2024	2023
	£	£
Surplus in the financial year	**17,879,818**	15,684,173
Taxation	**8,138**	58,965
Gain/(loss) on disposal of housing properties – second tranche and after	**142,225**	122,457
Interest receivable and similar income	**(3,492,123)**	(1,231,574)
Interest payable and similar charges	**1,081,596**	1,217,226
Operating surplus	**15,619,654**	15,851,247
Surplus on sale of housing properties	**(5,337,114)**	(7,474,024)
Repossession of properties	**356,085**	938,537
Release of impairment of housing properties	**(700,000)**	(800,000)
Depreciation	**95,605**	90,490
Movement in debtors	**(151,981)**	3,419
Movement in creditors	**44,154**	(573,048)
Difference between pensions charges and cash contributions	**13,000**	652,000
Cash inflow from operating activities	**9,939,403**	8,688,621

30 Analysis of consolidated net funds

	1 April 2023	Cashflow	Other non cash movements	**31 March 2024**
	£	£	£	**£**
Cash at bank and in hand	10,219,420	(4,044,648)	-	**6,174,772**
Short term deposits (note 19)	78,687,610	(9,930,357)	-	**68,757,253**
Debt due within one year (note 21)	(5,000,000)	5,000,000	(5,000,000)	**(5,000,000)**
Debt due after one year (note 22)	(249,750,000)	(11,250,000)	5,000,000	**(256,000,000)**
Net funds	(165,842,970)	(20,225,005)	-	**(186,067,975)**

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2024 (continued)

31 Operating lease commitments

At 31 March the Group and Co-Ownership had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings 2024	Land and buildings 2023
	£	£
Within one year	**223,243**	223,243
Within two to five years	**892,973**	892,973
After five years	**223,243**	446,486
	1,339,459	1,562,702

32 Legislative provisions

Co-Ownership is incorporated under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969.

33 Related party disclosures

Ownco Homes Limited is regarded as a related party as defined by section 33 of FRS 102 as it is a wholly owned subsidiary of Northern Ireland Co-ownership Housing Association.

The transaction and balances due from/to this related party during the year were as follows:

	2024	2023
	£	£
Amounts owed from related party at 1 April	**-**	-
Management and administration charge to Ownco Homes	**17,102**	15,252
Donations from Ownco Homes	**500,000**	30,000
Receipts from Ownco Homes	**(517,102)**	(45,252)
Amounts owed from related party at 31 March	**-**	**-**

In the prior year donations received from Ownco Homes by Co-Ownership were presented as turnover. These have been restated to present the donations as a separate item on the Statement of comprehensive income.


I never thought I'd get a chance to own my own home. Co-Ownership is amazing & I would never have got onto property ladder without this amazing service! So thankful.
Natalie
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