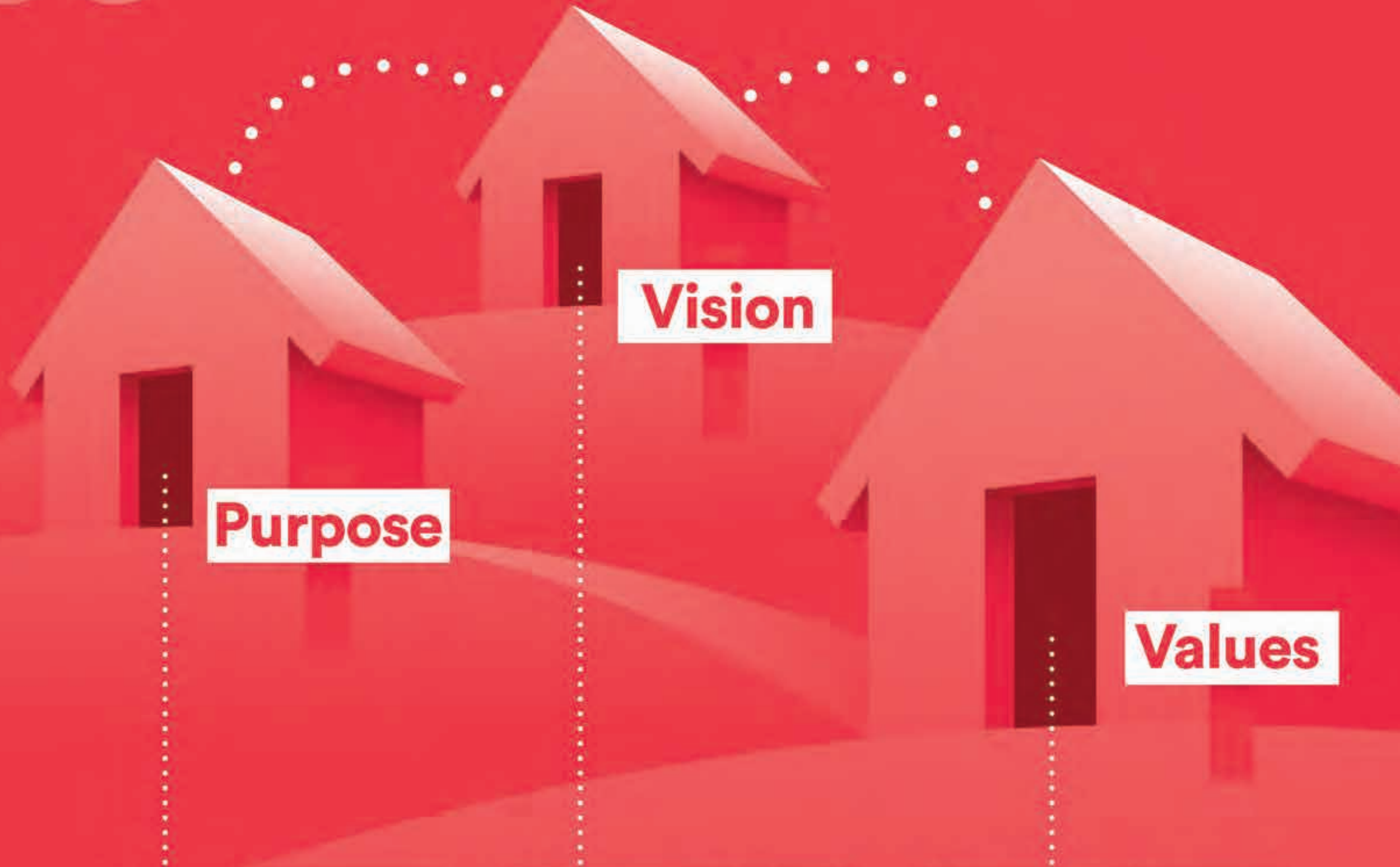
ANNUAL REPORT

2022/23

co-ownership.org

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.

2021—2024

co-ownership.org

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CHAIR'S REPORT

I'm proud that last year Co-Ownership helped 745 new customers take their first step into an affordable and secure home and that 576 people moved into full home ownership.

Our customers' experience of Co-Ownership and the impact it has on their lives is important to the Board. This year we carried out a survey on our social impact that showed that over 80% of those surveyed said that since purchasing their own home with Co-Ownership their health and wellbeing had improved. This confirmed that having a home is the foundation for good health and wellbeing and reinforces the importance of the work of Co-Ownership.

One of the highlights of the year was the launch of our new product. Co-Own for Over 55s allows people, often existing homeowners, to find a property that is more suitable to their needs. Funded by the Department for Communities, the product opened to applications in June 2022. As our population ages it's vital that people are supported to live independently for as long as possible and it has been great to hear about the very positive impact this new product has had on our customers.

Sam Dickey left the Board during this period, we thank him for keeping us well informed about issues in the residential sector.

On behalf of the Board, our thanks are due to all the people who work in Co-Ownership for their contribution throughout the year. They continue to be our most valuable asset, and we will ensure they have the necessary resources to deliver and enhance excellent service to our customers.

I would also like to thank all the partners we work with to deliver our services, and the Board continue to be grateful to Department for Communities for their support.

David Little, Chairman

CHIEF EXECUTIVE'S REPORT

It has been a volatile period for the housing market. After the high levels of activity and the rapidly increasing house prices we saw during the pandemic, last year with increasing mortgage costs and high inflation the market has been much more subdued. Inevitably in this difficult and uncertain environment we saw our application numbers fall from the high levels of the previous two years.

In Co-Ownership we have a passion to deliver a great customer experience. The data we collect and the benchmarking we carry out show that our customers are very happy with the service we deliver, but delivering great customer service is a never-ending journey and we continue to strive to improve. Highlights this year included the complete overhaul of our property assessment process to provide much better information to our customers and to make the process easier to navigate.

We have been very conscious of the financial pressures our customers are facing with high inflation and the financial shock as their mortgage costs increase. They are clearly feeling the impact but to date I'm happy to report that the vast majority of people are able to pay their rent and their mortgage, and our rent arrears remain very low. The cost-of-living crisis is far from over and we will continue to support our customers over the coming year.

We recognise the need to play our role in achieving net zero emissions goals. Given the number of Co-Ownership homes there are across NI we believe we have a key role to play in the owner-occupied sector. Our focus this year has been to build knowledge and capability in our team so that we can support our applicants make informed decisions about the properties they buy and to ensure that all our customers know how to reduce the energy use in their homes. There is no doubt that to decarbonise our homes and to ensure they provide good thermal comfort will be challenging.

All that we achieved in 2022/23 was only possible due the hard work and commitment of everyone that works in Co-Ownership, and I continue to be proud to lead an organisation that makes such a difference to so many people's lives.

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 & provident society regulated and funded by Department for Communities (DfC).

Co-Ownership is a charity and is registered with the NI Charity Commission.

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 and 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 32,000 people buy a home in Northern Ireland, and currently have over 10,000 co-owners.

2022/23

YEAR AT A GLANCE

£106m
Total value of homes purchased

745
People we have helped become homeowners

10,209
co-owners

FOR SALE

£142,724
Average purchase price

21%
New builds purchased

£190,000
Property Value Limit increased

96
Net Promoter Score

Co-Own customer profile

739
People helped

33
Average age

48%
From rental market

94%
First time buyer

£24,577
Annual earned income

576
Customers bought out

Over 55s customer profile

6
People helped

66
Average age

67%
From rental market

33%
Retired

£86,821
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 a snapshot of some of them.

Co-Ownership made my dream come true, as I'm a single mum and had no chance to buy a house on my own. Thanks to Co-Ownership!

Alina

As I a first time buyer, Co-Ownership was the only way I could get on the property ladder, as it saved trying to gather a 5%-15% deposit on a single income. They were in constant contact with myself and my mortgage advisor and I was always kept informed as to what was going on.

Nevin

Fantastic from start to finish anyone we spoke to was very polite and helpful definitely recommend.

Karen

Very efficient and a quick decision. Excellent.

Frances

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 believe I would never have had the ability to purchase the home I wanted, they made it all possible! The deposits on properties that I wanted where simply too large. If you really want your perfect home, but the only thing standing in your way is large deposit, consider them at the very least. 10/10.

Luke

Such an amazing group! So much support, ensure all info is available to you, at the end of the phone no matter what the question. Highly professional, extremely friendly patient team who go out of their way to help, no question too silly. I urge anymore starting out to check these guys out. Absolutely outstanding. Customer service is next level.

Kate

My experience with Co-Ownership is that the people I dealt with were pleasant, helpful and kind. I didn't have to worry about anything they took care of everything for me no stress.

Clare

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

My experience with Co-Ownership was amazing! They are such an amazing team of people. I have a house now and I can’t believe it it’s so surreal it wouldn’t of been possible without them so thank you all so much if anyone is wanting a house but doesn’t think they can do it! These guys make it possible! They helped me from day one.

Matthew

Co-Ownership was absolutely brilliant and I would recommend it to anyone. First class.

Colin

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. They were very professional and helpful from the off. We had our survey done within a week of sale agreed and it was very thorough which really helped us and most of all they helped with some of the other fee's incurred which was awesome. Cannot thank them enough. They do what they do very well.

Steven

I've had a fantastic experience with Co-Ownership so far. I didn't have an easy buy and there were a few difficult moments but they were with me every step of the way. One of the advisors went above and beyond for me and showed me great kindness, unfortunately can't remember her name. Highly recommended.

Kez

Was a little apprehensive about applying for Co-Own for Over 55s but once I made the application everything went well. From my first contact everything was explained in detail and was impressed how quick and efficient the staff was, they kept us informed at every stage of the process. A life changer for both of us and a big thank you to the friendly staff of Co-Ownership.

Denis

Co-Ownership have been nothing but helpful and transparent in helping us buy our first home. We would recommend to any first time buyers struggling with the huge deposits required, it was a simple and stress-free process from the beginning and everyone I spoke to was helpful and knowledgeable.

Victoria

PERFORMANCE HIGHLIGHTS

Applications

A total of 1,449 applications were received for Co-Own during 2022/23. This is lower than the total of 2,106 applications received during 2021/22.

Property purchasing activity

In the year 745 Co-Ownership customers received keys to their home.

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

We ended the year with stock of 10,209 Co-Ownership homes.

House prices

During 2022/23, the average Co-Ownership purchase price was £142,724. The average price for new build properties was £158,664 and £138,434 for existing build properties.

The average purchase price for a property in Northern Ireland was £172,005 as of March 2023 (Source: NISRA NI House Price Index, Jan – Mar 2023).

New build housing

During 2022/23, 158 (21%) of the 745 Co-Ownership properties purchased overall were new builds, down from 31% in 2021/22.

Armagh, Banbridge and Craigavon council area recorded the highest volume of new build completions during 2022/23.

> The need for Co-Ownership remains strong particularly as this new era of more expensive mortgages means fewer people can achieve their dream of home ownership by themselves. We have been very conscious of the financial pressures our customers are facing with high inflation and the financial shock as their mortgage costs increase.
>
> **Mark Graham**
> **Chief Executive**

Property type

Overall, semi-detached remained the most purchased property type during 2022/23; more than half of Co-Ownership customers purchased this property type (57%). This was followed by terrace/townhouses (33%), apartments (7%) and detached (3%).

Property value limit

To reflect the rise in house prices the property value limit for Co-Ownership increased from £175,000 to £190,000.

Buying out

During 2022/23, 576 Co-Own customers fully bought out the remaining share in their property. There were 57 part buy outs recorded, down from 116 during 2021/22.

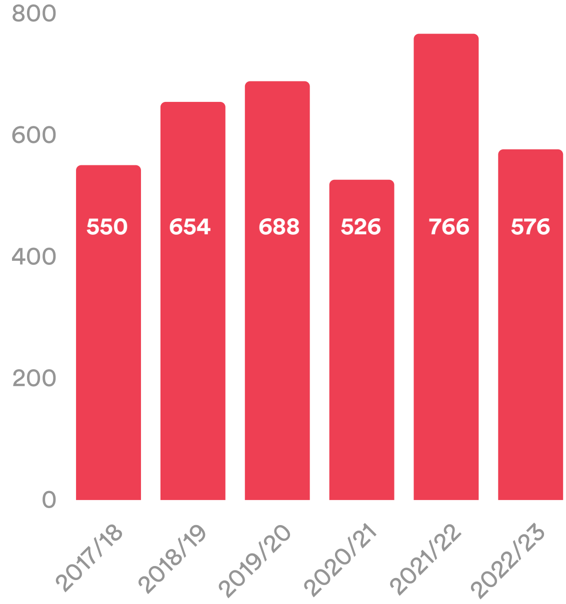
First time buyers

During 2022/23, 94% of Co-Own purchasers were first time buyers while 6% were returning homebuyers.

Deposit

During 2022/23, four in every ten Co-Own customers were able to access home ownership without a deposit (40%).

The average deposit amount for a Co-Own customer during 2022/23 was £10,065 whilst the average deposit amount for first time buyers in Northern Ireland was three times higher at around £33,000[1].



Co-Own customers buying out in full, 2017/18 – 2022/23

Earnings

During 2022/23, the median gross annual earnings for a Co-Own customer was £24,577[2]. This represents an increase of 5% from last year.

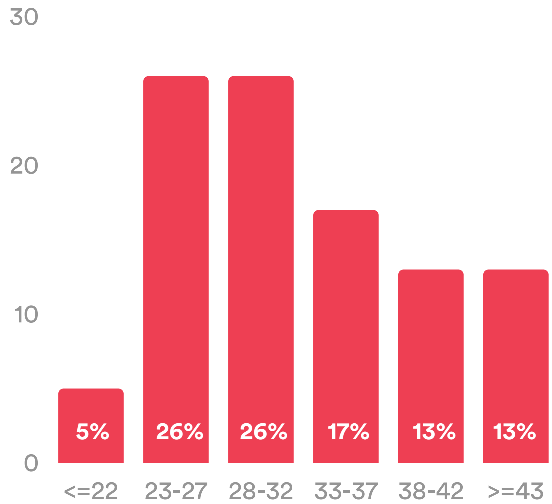
Previous tenure

Of those Co-Ownership customers who received keys to their home overall during 2022/23, almost half came from the private rented sector (48%). The remainder comprised of customers who had previously been living with friends/family (50%) whilst a small number had been in social housing (2%)[2].

Age

The average age of a Co-Own customer during 2022/23 was 33[2] which is just slightly higher than last year (32).

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.



Age of Co-Own customers, 2017/18 – 2022/23

Rent to Own

During 2022/23, 6 Rent to Own tenants purchased their properties. 4 bought with a full mortgage and 2 bought with Co-Own.

[1] Halifax, 2023
[2] Applicant 1

OPERATIONAL HIGHLIGHTS

Customer Service

We're committed to delivering outstanding customer service and striving for improvement while keeping our customers at the heart of the organisation. Having become the first organisation in Northern Ireland to achieve the Institute of Customer Services ServiceMark accreditation in 2022, we are now working towards achieving distinction when we are reaccredited.

During this financial year we surveyed our stakeholders and achieved a customer satisfaction index of 91.6. Our net promoter score for the year was 96 and we consistently received a TrustPilot rating of 4.9 out of 5.

This year we were shortlisted for two ICS UK wide service awards and we commenced our professional qualifications journey with ICS training 15 coaches who are now supporting 15 members of the team work towards an ICS professional qualification.

> "Customers are at the heart of everything the team at Co-Ownership does & commitment to delivering great service to its customers runs through all areas of the company. Throughout the assessment, I saw a lot of pride in everyone I spoke with, in working for an organisation that is customer centric.
>
> **Institute of Customer Services**

Product Development

In June 2022, we were delighted to start accepting applications for our new affordable housing initiative for people aged 55 and over who want to move to a more suitable home that better meets their needs. There has been a pleasing level of interest in Co-Own for Over 55s and up to March 2023, six customers had been able to access more suitable homes.

As part of the launch of Co-Own for Over 55s we held an event for stakeholders in September 2022. This was well attended by housing, health and age industry stakeholders, MLAs, and the Department for Communities.

Industry representations at the launch of Co-Own for Over 55s

Marketing

In July 2022 we carried out consumer research to understand how the increased cost of living is impacting people's ability to get a home. This identified the barriers and concerns people faced and we were able to incorporate these into our messaging for digital advertising, and later our outdoor advertising as part of the brand campaign.

Marketing activity

There were 2 bursts of the Think Again brand campaign in 2022/23 which included TV, Digital and Billboard advertising. In addition to this we also launched the 'Always on' marketing activity across YouTube, Facebook and Display advertising. This was layered on top of our organic social media.

In March 2023, our brand tracking research showed that levels of awareness of Co-Ownership were continuing to increase.

Billboard creative used in the advertising campaign

People

We remain focused in developing our people. As we embedded our hybrid way of working we have focused on maintaining collaboration and ensuring that everyone feels part of the team in Co-Ownership. We have achieved this through many staff events and regular communications. Our staff recognition scheme, the Extra Milers, continues to demonstrate the commitment of our staff to excellent service with great staff participation. We have also continued to support our people through our Health & Wellbeing strategy, policy and activities. Leadership development remains a priority with a number of training events in the year to support this key agenda.

ICT

We continue to deliver our Digital Program by designing solutions that ensure we can provide the best possible service to our customers and delivery partners. This year we introduced a fully digital property assessment, significantly improving both the time taken to make a property decision, and the quality of information available to both Co-Ownership and our customer.

The increased cyber security threat has been a focus in the year and we continued to take measures to maintain our ISO27001 Information Security accreditation. We have remained vigilant to the cyber threat and taken proactive steps to address this by investing in firewalls and systems and through mandatory cyber security training for our staff.

Environmental, Social & Governance

ESG REPORT

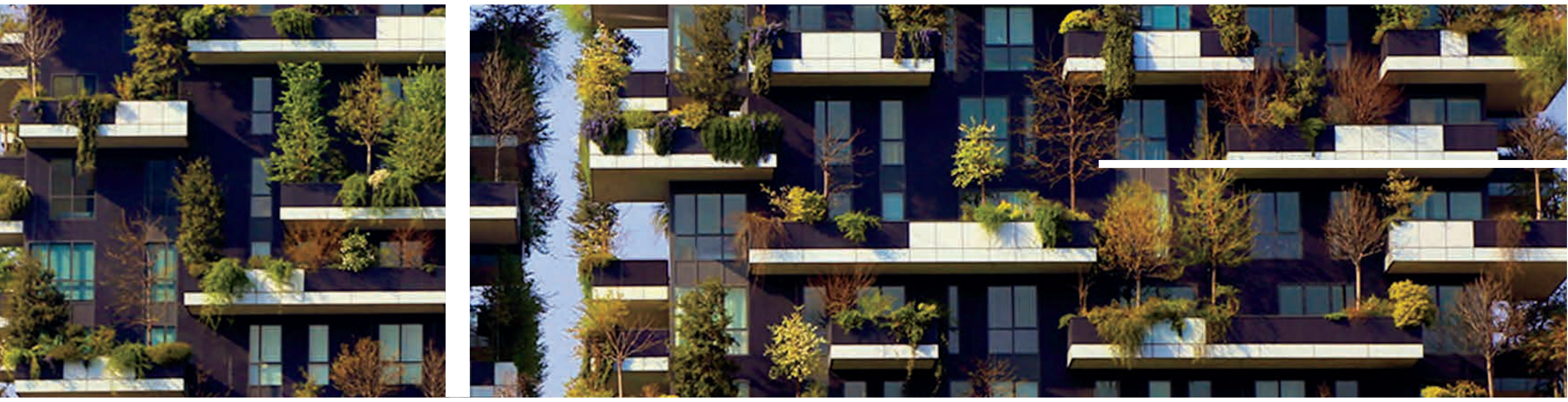
As a business with a strong sense of social purpose, we have always recognised the wider impact of our work and we seek to make a positive impact on society whilst minimising our environmental footprint. The practical application of our values "putting customers first" and "doing the right thing" is 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 developed our Climate Change Strategy during the year following a dedicated Board Strategy Event with input from a panel of experts. 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 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 to reduce carbon consumption. The full Climate Strategy Response can be found in the Reports section of our website.

Throughout the year we benchmarked the heat source and energy efficiency of our stock and this exercise will inform our future activities. We invested in significant staff training on energy efficiency and carbon literacy. This has enabled us to deliver information on energy saving measures to support customers 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 businesses in Northern Ireland.

In partnership with Action Renewables, we undertook an energy use audit of our premises. We will take forward their recommendations in the forthcoming period. The Board fully recognize the challenge ahead and are committed to lead in the owner occupier sector.

b) Social

Our 2022/23 Social Impact Report shows the impact buying a home through Co-Ownership has had on the lives of our customers. It allows us to look beyond the numbers and communicate the real benefits achieving home ownership has had on people's lives.

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

However often it's the comments from customers that say it best:

> "It has really helped with my mental health. Years of trying to save and getting nowhere. I never would have been able to buy my house as a single woman on her own so thank you very much."
>
> "Our little boy has autism and it has changed his life having our own home. He loves having space and his own garden. He hates his routine being affected so we are so delighted with having our own home."
>
> "Without Co-Own I would be in a terrible housing position. A mix of homeless and living with friends. Thank goodness for Co-Own!"

The full Social Impact Report can be found under the Reports section of our website.

Community Fund

Our annual Community Fund supported 4 different community groups from across Northern Ireland, with projects including Mainstay, who arranged gardening activities for people with learning disabilities and Sion Swifts who organised a programme of activities to help ensure a girls' football team kept active and socialising over the winter months. Additionally, two food banks were awarded funding to help with the ongoing cost of living crisis. 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.

Mainstay confirmed that "Families reported that their loved ones were sleeping better at night, coming home in brighter form, more enthusiastic about going into their environment, had a sense of achievement and excited to do more programmes like this."

Sion Swifts Ladies and Girls FC said "Families provided feedback that it was great to have these indoor activities over winter months, keeping their children active and socialising with each other, improving their well being and confidence."

Community Fund Recipients

Charity Partner

Staff selected NI Chest, Heart and Stroke as our chosen charity and so far, have raised over £5,000. They have achieved this by taking part in events such as the Belfast half marathon, red dress fun run, the relay race and 8 mile walk. Coffee mornings, themed lunches and raffles have helped raise further funds for the charity along with Co-Ownership's matched funding commitment.

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

Barnardo's Family Bereavement Service Christmas Appeal

This year again, staff surpassed all expectations with their generous support for Barnardo’s Family Bereavement Service Christmas appeal. This does invaluable work supporting bereaved families through what can be a difficult period following the loss of a loved one.

Volunteering

All staff are supported with 1 day’s volunteering annually and staff have used this opportunity to support local organisations, taking part in beach cleans, dog walking, cleaning out stables at an animal shelter and assisting with school events. We also have a number of staff who support the Age NI Check in and Chat initiative. A number of staff also sit on various Boards, giving up their time to assist local charities with their expertise.

Believe in children Barnardo's

“The support staff in Co-Ownership offer our families yearly is so precious. A lot of our families find Christmas time difficult for lots of reasons after the death of a loved one, emotionally and financially but with Co-Ownership staff support they have one less thing to worry about. It is hard to put into words the sense of relief felt by parents and carers when offered this support. Thank you all so much.”

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. 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 6 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	70%
Norman McKeown	88%
Phillip Price	76%
Audrey Fleming	86%
Sam Dickey	42%
Alastair Coulson	53%
Jordan Buchanan	78%
Alan Ledlie	57%
Nicola McCrudden	69%
Gillian Greer	79%
Derek Wilson	80%

Gender balance on the Board is 33.3% female, 66.7% male.

We noted the departure of Sam Dickey from the Board in March 2023 and we thank him for his insight and professionalism during his tenure. The Board continued its development and succession planning with a recruitment exercise which was supported by a newly formed HR Committee. They also received a report from an independent Board Evaluation exercise noting pleasing results. The resulting actions will be tracked and supported by the HR Committee.

Risk Management

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

In addition, the Board has delegated to its Committees the detailed scrutiny of financial performance, funding, HR matters and operational delivery. The Board has ultimate responsibility for ensuring 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. The ARG regularly reviews and evaluates all risks ensuring there are adequate ongoing monitoring arrangements including the effectiveness of early warning triggers/indicators. In turn, the ARG reports to the Board on the adequacy of Internal Control and alerts them to any emerging risk issues.

Audit, Risk & Governance

ARG COMMITTEE CHAIR'S REPORT

The Audit, Risk, and Governance Committee met 5 times in the year to perform 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 part of the audit process, the ARG reviewed internal audit reports and resulting actions, and the internal audit plan. This year our contract with KPMG came to an end and we undertook a procurement process which resulted in recommending to the Board that we appoint ASM. On the external audit front, the ARG reviewed and agreed the approach to external audit and timelines with BDO.

Operationally, the ARG considered the climate change risk and ensured appropriate levels of insurance were in place. It considered enhancing operational resilience, IT and information security, including the risk implications from increased homeworking.

The committee reviewed and approved regulatory returns, updates to the Data Protection policy and made recommendations to the Board on the updated Code of Governance and Code of Conduct.

The Committee was satisfied that the control environment remains 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 are satisfied with adherence to audit, risk and governance requirements.

Philip Price, Chair of the ARG Committee

Finance & Performance

FP COMMITTEE CHAIR'S REPORT

In the year the Board restructured its committees and the FHR Committee evolved into the Finance & Performance Committee, with a separate dedicated HR Committee formed.

The Committee met 6 times in the year to perform their function which is to report to the Board on matters relating to Finance and Operations. Oversight of Finance includes financial risk management, maximising funding opportunities, compliance with funding terms, treasury management, budgetary control and procurement.

Operations oversight covers a review of the operational performance of the organisation.

Prior to the HR Committee being formed, this committee in it's original FHR capacity reviewed and had oversight of the People Strategy and Action plan, including Health and Wellbeing and approval of updated HR policies.

The Committee has monitored the Department for Communities and private funding levels along with the covenant performance on behalf of Board.

The Committee has reviewed and approved various business cases presented by the business, regularly reviewed the Legal and Contract Registers and reviewed the audited accounts and the auditors report.

Following the implementation and formalisation of the organisation's hybrid working policy, the Committee has had oversight and input into it's successful embedding.

Overall the Committee was very pleased with Co-Ownership's financial and operational performance for the year.

Norman McKeown, Chair of the FP Committee

Human Resources

HR COMMITTEE CHAIR'S REPORT

The Board restructured its committees in the year and formed an additional HR Committee, (HRC).

HRC 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 assists with ensuring the Board retains an appropriate structure, size and balance of skills and supports on 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 met 3 times in the year. As well as focusing on Board recruitment, training and development, members reviewed the People Strategy and Action Plan, and the Health & Wellbeing Strategy.

The Committee also gave consideration to Executive team salary benchmarking, reviewing HR policies, and workforce planning.

The Committee was content with the HR and people focused performance in the year.

Audrey Fleming, Chair of the HR 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

FINANCIAL PERFORMANCE

Co-Ownership has produced a group surplus of £15.7m for the year ended 31st March 2023, which compares favourably to a surplus of £13.2m in the previous financial year. This surplus will be used to help more people into home ownership next year.

Improving house prices in the housing market have resulted in improved surpluses on the sale of housing properties which have increased by £1.1m to £6.4m.

Following an impairment review a provision release of £0.8m further added to the surplus.

Income decreased by 14% to £50.2m, primarily reflecting a 20% decrease in turnover from the sale of homes to £35.7m, resulting from decreased customer staircasing activity.

Financial Position

The balance sheet remains strong, with net assets having increased by £22m to £142m by 31 March 2023.

During 2022/23 Co-Ownership helped new customers by investing £43m into homes, which together with customer contributions of £63m represented a £106m investment in the Northern Ireland property market. After taking account of staircasing, Co-Ownership's investment in housing properties increased to £490m at the year end.

Cash and deposit balances increased by £18m to £89m, and provide good liquidity for the operations into the future.

Funding

The increase in housing property investments has been funded by a combination of loans and grants from the Department for Communities alongside bank borrowings. The Department for Communities continued support for affordable housing through the provision of £36m of Financial Transaction Capital during the year.

During 2022/23 sales proceeds generated £12.9m of grant repayable to the Department for Communities and in addition Co-Ownership also made £3.75m 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

£15.7m
Group Surplus

-14%
Income

£142m
Assets

£106m
Investment into NI market

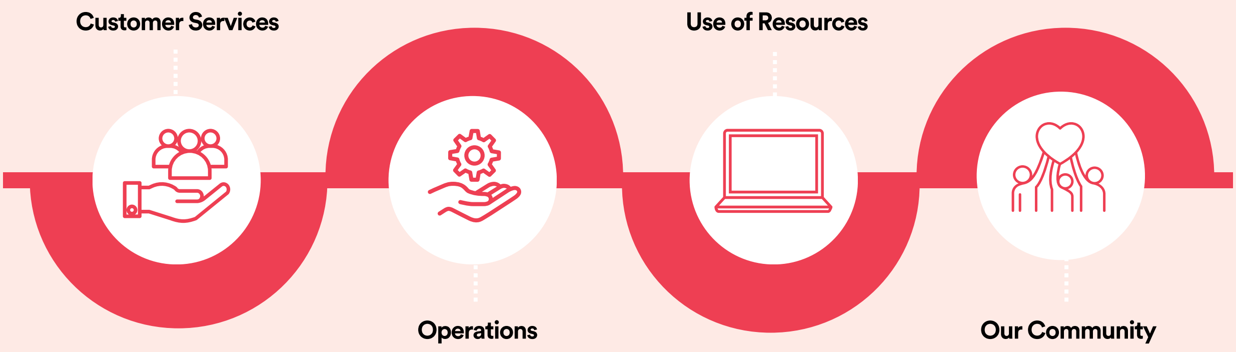
of the loan. The bank debt was drawn at £30m at the year end.

Conclusion

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

Value for Money Report

In the face of a challenging year for the Northern Ireland housing market, we continued to deliver value for money in our four key areas.



Impact on Customer Service: We're now providing AIPs and final offers to customers within an average of 2 and 11 working days respectively.

Impact on Operations: Further enhancements were made as we digitised our valuations process, launched Co-Own for Over 55s and enhanced the resilience and security of our ICT infrastructure.

Impact on use of Resources: Surpluses generated have been reinvested in new homes and loan repayments have been made to the Department for Communities. Rent collection remains at 100%.

Impact on our Community: In addition to our Performance Highlights on page 10, other key achievements were the launch of Co-Own for Over 55s, the development of our Climate Strategy and our Social Impact Report.

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

FINANCIAL STATEMENTS

2022/23

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 2023

Northern Ireland Co-Ownership Housing Association Limited

Annual report and financial statements for the year ended 31 March 2023

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Northern Ireland Co-Ownership Housing Association Limited

Board of management and advisers

Board of management

David Little (Chair)
Jordan Buchanan
Alastair Coulson
Samuel Dickey (resigned 3rd March 2023)
Daniel Egerton (co-opted 29th June 2023)
Audrey Fleming (appointed 22nd September 2022)
Gillian Greer
Alyson Kilpatrick
Alan Ledlie
Nicola McCrudden
Norman McKeown
Philip Price
Derek Wilson

Chief executive

Mark Graham

Company secretary

Gillian Hughes

Registered office

Moneda House
25-27 Wellington Place
Belfast
BT1 6GD

Bankers

Bank of Ireland Limited
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

Northern Ireland Co-Ownership Housing Association Limited

Strategic report of the Board of Management for the year ended 31 March 2023

The Board of Management presents its strategic report for the year ended 31 March 2023 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 Management of Co-Ownership are the directors of the company and are the trustees of the charity.

Principal activity

The principal activity of Co-Ownership remains unchanged and is the provision of affordable housing on a shared ownership basis for persons in need thereof. Ownco complements 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 to 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 key strengths of the Group which enable its primary objectives to be met are:
- A customer centric focus;
- A commitment to the highest standards of 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.

The team delivering these objectives across the Group, at 31 March 2023, comprised 63 employees, of which 40 are female and 23 are male and the Board of Management which comprised 12 members of which 8 are male and 4 are female.

Review of business and future developments

During the year Co-Ownership helped customers purchase a total of 745 (2022: 1,144) properties and as a result the housing property portfolio increasing from £471m to £486m. Staircasing activity resulted in 576 full property sales transactions (2022: 766) and 57 partial staircases (116 in 2022). The level of repossession sales remained low and totalled 22 for the year (2022: 16). At 31 March 2023 Co-Ownership had interests in 10,209 homes (2022: 10,063).

The Department for Communities (DfC) provided Co-Ownership with Financial Transaction Capital of £36m 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 £12.9m of grant repayable to DfC and in addition Co-Ownership made £3.7m of loan repayments to DfC.

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

The Board of Management is of the view that for the foreseeable future Co-Ownership will continue to generate sufficient operating surplus to cover its operating and financing costs. The rental income is anticipated to be £15m in the next financial year. 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 face in the year ahead.

Northern Ireland Co-Ownership Housing Association Limited

Strategic report of the Board of Management for the year ended 31 March 2023 (continued)

The Board continues to explore opportunities for enhancement of its services going forward, in response to a changing housing market. A new shared ownership product for people over the age of 55 was launched during the year with the aim of helping provide affordable homeownership for people who are retired or are approaching retirement. Applications since the launch have resulted in 6 homes being purchased by the year end, which has been an encouraging start.

Ownco completed its fifth full year of trading and purchased 2 houses at a total cost of £0.4m, making 76 purchases to date. There were 7 property sales in the year, of which 6 were to tenants. As at 31 March 2023 there were 23 houses held in stock and £10.1m held on deposit for reinvestment.

Results

The surplus for the year amounted to £15.7m (2022: surplus £13.2m). The increase is primarily due to an increase in the surplus on the sale of housing properties to £7.2m (2022: £6.5m) as detailed in note 9, an increase interest receivable to £1.2m (2022: £0.1m) and an increase in rents to £14.5m (2022: £13.9m).

The Board of Management are satisfied with the underlying financial performance of the Group.

Environment, Social and Governance

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 Board complies with a code of governance based on the National Housing Federation model code of governance.

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 is crucial to meeting customer requirements. Co-Ownership holds an Investor in People accreditation reflecting the good management of its people.

Group structure

Northern Ireland Co-Ownership Housing Association Limited is the controlling member of the Group. The aim of Ownco Homes Limited is to increase the provision of affordable housing in the province. Note 16 of the financial statements provides details on Northern Ireland Co-Ownership Housing Association Limited's investments in subsidiary undertakings.

Funding

At the year-end the Group had cash and deposit balances of £89m (2022: £71m), net current assets of £80m (2022: £59m) and total net assets in excess of £142m (2022: £119m). In addition, it has undrawn financing facilities of £35m (£65m minus £30m drawn down). The Board is of the view that the Group will have sufficient finance to fund its ongoing activities for a period of at least 12 months whereby it continues to be appropriate to adopt the going concern basis in the preparation of the annual financial statements.

Northern Ireland Co-Ownership Housing Association Limited

Strategic report of the Board of Management for the year ended 31 March 2023 (continued)

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.

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.

Events after the Balance Sheet date

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

Northern Ireland Co-Ownership Housing Association Limited

Strategic report of the Board of Management for the year ended 31 March 2023 (continued)

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.

Some of the achievements of using the VfM approach during the year are as follows:

- Helped 745 people take the step towards owning their own home.
- Co-Ownership contributed to a total spend of £106m in the Northern Ireland housing market by purchasing 745 properties, including 158 new build properties.
- Enabled 576 people to fully purchase outright their own home and 57 people to purchase further equity in their home.
- Launched a new shared ownership product for people over the age of 55 with the aim of helping provide affordable homeownership for people who are retired or are approaching retirement.
- Maintaining a high standard of customer service and operational effectiveness being continued to be accredited with the Service Mark from the Institute of Customer Services.

Internal financial control

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

The Group has a clearly defined organisational structure based upon a system of delegation and authorisation, which includes the Board of Management where appropriate. The levels of authority are set out in internal policies and similar documents which have been adopted by the Board of Management 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.

Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance.

The Group reviews the effectiveness of the system of internal financial 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 Chairman of the Committee. The Senior Executive Officers attend meetings when required. The minutes of the Committee are formally recorded. The Board of Management receives the annual report of the internal auditors.

The Internal Audit Plan reflects the risk management policy and the risk ‘map’ it contains 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.

Northern Ireland Co-Ownership Housing Association Limited

Strategic report of the Board of Management for the year ended 31 March 2023 (continued)

The Group develops and monitors progress against a 3 year strategy, which is reviewed by the Board of Management. A detailed annual budget and cash flow statement 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 of Management.

The Board of Management 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. It 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.

Following a restructuring of its committees during the year a Human Resources Committee was established to support the Board of Management 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 of Management 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 Group is committed to the highest standards of quality, probity, openness and accountability and has in place a confidential reporting system.

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

Strategic report of the Board of Management for the year ended 31 March 2023 (continued)

Statement of disclosure of information to auditors

So far as each of the members of the Board of Management 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 of Management in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

By order of the Board of Management

Gillian Hughes
Company Secretary
21 September 2023

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management for the year ended 31 March 2023

The Board of Management presents its report for the year ended 31 March 2023 for Northern Ireland Co-Ownership Housing Association Limited (the "Co-Ownership") and its subsidiary (together the "Group"). The wholly owned subsidiary of Co-Ownership is called Ownco Homes Limited.

The Board of Management and executive directors

The Board of Management and executive directors of Co-Ownership are listed on page 1.

Each past and present member of the Board of Management 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 he acts as executive within the authority delegated by the Board.

The Board of Management is a voluntary Committee who have responsibility for the strategic direction, general policy and management of the Group. The day-to-day management of operations is delegated to the Chief Executive and the Senior Leadership Team.

Performance in the year ended 31 March 2023 and expected performance in the year ended 31 March 2024

The sections on performance in the year ended 31 March 2023 and expected performance in the year ended 31 March 2024 are included in the strategic report.

Regulation

Co-Ownership's principal regulator is the Department for Communities (DfC). The latest published regulatory judgement related to the year 2021/22 with the following ratings being received.

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

Charitable donations made

Donations totalling £22,143 (2022: £22,000) were made by Co-Ownership during the year.

No donations for political purposes were made during the year (2022: £Nil).

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 Company presents details of its carbon and energy as:

UK Greenhouse gas emissions and energy use data	**22/23**	**21/22**
Energy consumption used to calculate emissions (kWh)	**97,874**	**113,548**
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	**31**	**27**
Total gross emissions in metric tonnes CO2e	**31**	**27**
Intensity ratio tonnes CO2e / £m revenue	**0.62**	**0.47**

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management for the year ended 31 March 2023 (continued)

The Group utilises a “Green Tariff” which provides 100% renewable energy. Energy consumption decreased during the year due to a milder winter.

To determine emissions for the year ended 31 March 2023, the company used a methodology compliant with the Greenhouse Gas (‘GHG’) Protocol and incorporated the 2020 UK Government GHG conversion factors for green-house gas reporting.

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 associated with each activity using annually updated emission factors from the UK Government.

Climate change response and energy efficiency measures

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

- Setting three strategic objectives, namely, to be a voice for the owner occupier sector, to encourage customer to improve the energy and carbon efficiency within their home, and to reduce Co-Ownership’s carbon footprint.
- Agreeing an action plan to progress the strategic objectives.
- Educating staff on how to save energy in homes, with the assistance of National Energy Action.
- Providing energy saving ideas to homeowners and homebuyers, through customer communications, social media and the Steps to Buy NI website.
- Gathering information on the energy efficiency and energy sources of the homes the Group has interests, in order to better understand the impact on the environment of household energy usage.
- Developing new management information to understand the carbon efficiency of the Group’s operations.

Independent auditors

BDO Northern Ireland were the auditors throughout the year. BDO Northern Ireland 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 of Management

Gillian Hughes
Company Secretary
21 September 2023

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 2023 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 2023 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 themselves. 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".

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 2023.

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: 21 September 2023

Northern Ireland Co-Ownership Housing Association Limited

Consolidated statement of comprehensive income for the year ended 31 March 2023

	Note	**2023** £	2022 £
Turnover	5	**50,220,282**	58,677,924
Cost of sales	5	**(29,304,681)**	(39,397,635)
Operating costs	5	**(5,864,354)**	(5,642,077)
Release of impairment of housing properties	14	**800,000**	1,200,000
Operating surplus	6	**15,851,247**	14,838,212
(Loss)/gain on disposal of housing properties	9	**(122,457)**	(142,242)
Interest receivable and similar income	10	**1,231,574**	50,292
Interest payable and similar charges	11	**(1,065,226)**	(1,362,583)
Other finance expenses	12	**(152,000)**	(172,000)
Surplus before tax		**15,743,138**	13,211,679
Taxation	13	**(58,965)**	(38,759)
Surplus for the financial year		**15,684,173**	13,172,920
Actuarial surplus/ (deficit) recognised in pension scheme	24	**6,716,000**	3,353,000
Total comprehensive income for the financial year		**22,400,173**	16,525,920

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

Consolidated statement of changes in reserves for the year ended 31 March 2023

	2023 £	2022 £
Surplus for the financial year	**15,684,173**	13,172,920
Actuarial surplus/ (deficit) recognised in pension scheme (note 24)	**6,716,000**	3,353,000
Share capital (cancelled)/ issued	**-**	(24)
Net movement in capital and reserves	**22,400,173**	16,525,896
Opening total capital and reserves	**119,338,351**	102,812,455
Closing total capital and reserves	**141,738,524**	119,338,351

Northern Ireland Co-Ownership Housing Association Limited

Co-Ownership statement of comprehensive income for the year ended 31 March 2023

	Note	2023	2022
		£	£
Turnover	5	**48,905,837**	56,852,592
Cost of sales	5	**(28,258,331)**	(37,874,036)
Operating costs	5	**(5,799,041)**	(5,572,777)
Release of impairment of housing properties	14	**800,000**	1,200,000
Operating surplus	6	**15,648,465**	14,605,779
Gain/(loss) on disposal of housing properties	9	**(122,457)**	(142,242)
Interest receivable and similar income	10	**1,115,135**	49,372
Interest payable and similar charges	11	**(1,065,226)**	(1,362,583)
Other finance expenses	12	**(152,000)**	(172,000)
Surplus for the financial year		**15,423,917**	12,978,326
Actuarial gain/ (deficit) recognised in pension scheme	24	**6,716,000**	3,353,000
Total comprehensive income for the financial year		**22,139,917**	16,331,326

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

Co-Ownership statement of changes in reserves for the year ended 31 March 2023

	2023	2022
	£	£
Surplus for the financial year	**15,423,917**	12,978,326
Actuarial gain/ (deficit) recognised in pension scheme (note 24)	**6,716,000**	3,353,000
Share capital (cancelled)/ issued	**-**	(24)
Net movement in capital and reserves	**22,139,917**	16,331,302
Opening total capital and reserves	**118,831,668**	102,500,366
Closing total capital and reserves	**140,971,585**	118,831,668

Northern Ireland Co-Ownership Housing Association Limited

Consolidated statement of financial position as at 31 March 2023

	Note	**2023**	2022
		£	£
Fixed assets			
Housing properties	14	**489,479,679**	475,617,937
Other tangible assets	17	**202,878**	211,438
		489,682,557	475,829,375
Current assets			
Stock	18	**2,093,579**	3,315,313
Debtors	19	**379,830**	285,441
Investments	20	**78,687,610**	26,657,589
Cash at bank and in hand		**10,219,420**	44,330,095
		91,380,439	74,588,438
Creditors: amounts falling due within one year	21	**(11,254,164)**	(15,483,632)
Net current assets		**80,126,275**	59,104,806
Total assets less current liabilities		**569,808,832**	534,934,181
Creditors: amounts falling due after more than one year	22	**(428,070,308)**	(409,683,830)
Net assets excluding pension deficit		**141,738,524**	125,250,351
Pension deficit	24	**-**	(5,912,000)
Net assets including pension deficit		**141,738,524**	119,338,351
Capital and reserves			
Called up share capital	25	**34**	34
Revenue reserves	26	**3,531,006**	3,028,089
Designated reserves	27	**138,207,484**	116,310,228
Total capital and reserves		**141,738,524**	119,338,351

The financial statements on pages 14 to 41 were approved by the Board of Management on 21 September 2023 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 2023

	Note	2023 £	2022 £
Fixed assets			
Housing properties	14	**485,834,904**	471,323,493
Other tangible assets	17	**202,878**	211,438
Investments	16	**300,001**	300,001
		486,337,783	471,834,932
Current assets			
Stock	18	**2,093,579**	3,315,313
Debtors	19	**357,429**	260,986
Investments	20	**70,582,528**	20,058,915
Cash at bank and in hand		**8,220,644**	41,732,194
		81,254,180	65,367,408
Creditors: amounts falling due within one year	21	**(11,050,070)**	(15,274,842)
Net current assets		**70,204,110**	50,092,566
Total assets less current liabilities		**556,541,893**	521,927,498
Creditors: amounts falling due after more than one year	22	**(415,570,308)**	(397,183,830)
Net assets excluding pension deficit		**140,971,585**	124,743,668
Pension deficit	24	**0**	(5,912,000)
Net assets including pension deficit		**140,971,585**	118,831,668
Capital and reserves			
Called up share capital	25	**34**	34
Revenue reserves	26	**2,764,067**	2,716,000
Designated reserves	27	**138,207,484**	116,115,634
Total capital and reserves		**140,971,585**	118,831,668

The financial statements on pages 14 to 41 were approved by the Board of Management on 21 September 2023 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 2023

	Notes	**2023**	2022
		£	£
Net cash inflow from operating activities	29	**8,688,621**	8,929,914
Tax paid		**(42,776)**	(23,302)
		8,645,845	8,906,612
Investing activities			
Purchase of properties		**(43,425,150)**	(62,147,542)
Housing Association Grant received for purchase of properties		**6,300**	113,466
Sale of properties		**38,008,660**	48,032,191
Housing Association Grant repaid on sale of properties		**(17,802,919)**	(19,361,003)
Purchase of other tangible fixed assets		**(81,930)**	(40,493)
Interest received		**1,133,766**	50,292
Net cash used in investing activities		**(22,161,273)**	(33,353,089)
Cash flows used in financing activities			
New term loans		**36,250,000**	44,250,000
Repayment of loans		**(3,750,000)**	(15,500,000)
Interest paid		**(1,065,226)**	(1,362,584)
Net cash used in financing activities		**31,434,774**	27,387,416
Net increase in cash and cash equivalents		**17,919,346**	2,940,939
Cash and cash equivalents at the beginning of the year		**70,987,684**	68,046,745
Cash and cash equivalents at the end of the year	30	**88,907,030**	70,987,684

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023

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;
- disclosures in respect of the Association's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;

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 company 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 2023. 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 2023 (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.

iii) Other income

Other income is recognised in the Statement of comprehensive income when the terms of revenue recognition have been met.

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.

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.

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.

3 Summary of significant accounting policies (continued)

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

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.

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

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.

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.

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.

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.

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.

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 2023 (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 (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) 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 (or asset's cash generating unit) 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 (or asset's cash generating unit) 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 (or asset's cash generating unit) 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 company 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 company'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 2023 (continued)

3 Summary of significant accounting policies (continued)

Financial instruments

The company 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 2023 (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 19.

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 £0.8m 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 14.

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 2023 (continued)

5 Lettings and other related information

	Group		Co-Ownership	
	2023	2022	**2023**	2022
Turnover	**£**	£	**£**	£
Rents (see below)	**14,481,396**	13,901,161	**14,319,451**	13,715,829
First Tranche Sales (note 9)	**35,738,886**	44,776,763	**34,556,386**	43,136,763
Donations received	**-**	-	**30,000**	-
	50,220,282	58,677,924	**48,905,837**	56,852,592
Cost of sales				
Rents	**(101,281)**	(100,787)	**(101,281)**	(100,787)
First Tranche Sales (note 9)	**(29,203,400)**	(39,296,848)	**(28,157,050)**	(37,773,249)
	(29,304,681)	(39,397,635)	**(28,258,331)**	(37,874,036)
Operating costs				
Management expenses (exc. Non cash pension)	**(4,927,007)**	(4,740,702)	**(4,862,582)**	(4,671,402)
Non cash pension costs	**(652,000)**	(726,000)	**(652,000)**	(726,000)
Valuation fees	**(302,955)**	(265,780)	**(302,067)**	(265,780)
Bad debt released/(written off)	**17,608**	90,405	**17,608**	90,405
	(5,864,354)	(5,642,077)	**(5,799,041)**	(5,572,777)
Release of impairment of housing properties (note 14)	**800,000**	1,200,000	**800,000**	1,200,000
Operating surplus	**15,851,247**	14,838,212	**15,648,465**	14,605,779
(Loss)/gain on disposal of housing properties (note 9)	**(122,457)**	(142,242)	**(122,457)**	(142,242)
Interest receivable and similar income (note 10)	**1,231,574**	50,292	**1,115,135**	49,372
Interest payable and similar charges (note 11)	**(1,065,226)**	(1,362,583)	**(1,065,226)**	(1,362,583)
Other finance expenses (note 12)	**(152,000)**	(172,000)	**(152,000)**	(172,000)
Surplus before taxation for the year	**15,743,138**	13,211,679	**15,423,917**	12,978,326

	Group		Co-Ownership	
Turnover from lettings	**2023**	2022	**2023**	2022
	£	£	**£**	£
Rents	**14,284,214**	13,728,423	**14,122,269**	13,543,091
Processing fees	**197,182**	172,738	**197,182**	172,738
	14,481,396	13,901,161	**14,319,451**	13,715,829

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

5 Lettings and other related information (continued)

	Group		Co-Ownership	
Analysis of Operating costs	**2023**	2022	**2023**	2022
	£	£	**£**	£
Personnel				
Salaries (excluding pensions)	**2,888,550**	2,748,343	**2,873,298**	2,731,038
Pension contributions	**476,131**	440,108	**476,131**	440,108
Other staff costs	**104,856**	111,899	**104,856**	111,899
	3,469,537	3,300,350	**3,454,285**	3,283,045
Non cash pension costs	**652,000**	726,000	**652,000**	726,000
	4,121,537	4,026,350	**4,106,285**	4,009,045
Establishment				
Property costs	**430,589**	407,360	**390,448**	364,883
Telephone	**27,317**	24,491	**27,317**	24,491
Depreciation	**90,490**	87,956	**90,490**	87,956
	548,396	519,807	**508,255**	477,330
Administration				
Administration overheads	**126,270**	106,839	**126,270**	106,839
Computer costs	**198,585**	221,536	**198,585**	221,536
Professional fees	**120,556**	148,476	**113,191**	141,061
Project costs	**49,888**	28,368	**49,888**	28,368
General expenses	**119,882**	119,286	**118,215**	117,183
Repairs	**12,532**	-	**12,532**	-
Marketing	**254,858**	247,201	**254,858**	247,201
Credit Agency	**26,503**	48,839	**26,503**	48,839
	909,074	920,545	**900,042**	911,027
Total Management expenses	**5,579,007**	5,466,702	**5,514,582**	5,397,402
Valuation fees	**302,955**	265,780	**302,067**	265,780
Bad debt (released)/written off	**(17,608)**	(90,405)	**(17,608)**	(90,405)
Total Operating costs	**5,864,354**	5,642,077	**5,799,041**	5,572,777

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

6 Operating surplus

	Group		Co-Ownership	
	2023	2022	**2023**	2022
	£	£	**£**	£
Operating surplus is stated after charging:				
Staff costs, excluding pension (note 7)	**2,888,550**	2,748,343	**2,873,298**	2,731,038
Pension (note 7) – contributions	**476,131**	440,108	**476,131**	440,108
– other pension costs	**652,000**	726,000	**652,000**	726,000
Depreciation of tangible fixed assets				
– owned assets (note 17)	**90,490**	87,955	**90,490**	87,955
Operating lease rentals	**245,651**	231,631	**245,651**	231,631
Fees payable to the Group's auditor for the audit of the financial statements	**39,000**	39,000	**36,000**	36,000
Fees payable to the Group's auditor for non-audit services	**2,950**	2,950	**-**	-

7 Employee information

	Group		Co-Ownership Housing	
	2023	2022	**2023**	2022
	£	£	**£**	£
Staff costs				
Wages and salaries	**2,594,830**	2,497,624	**2,579,578**	2,480,319
Social security costs	**293,720**	250,719	**293,720**	250,719
	2,888,550	2,748,343	**2,873,298**	2,731,038
Pension contributions	**476,131**	440,108	**476,131**	440,108
	3,364,681	3,188,451	**3,349,429**	3,171,146
Other pension costs	**652,000**	726,000	**652,000**	726,000
	4,016,681	3,914,451	**4,001,429**	3,897,146

	2023 Number	2022 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	**62**	61
- Temporary	**1**	2
Administration and finance	**63**	63

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

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**	
	2023	2022	**2023**	2022
	£	£	**£**	£
Aggregate emoluments	**360,468**	348,564	**360,468**	348,564
Pension contributions to money purchase schemes	**63,803**	62,370	**63,803**	62,370
	424,271	410,934	**424,271**	410,934

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 Director included within the above table are as follows:

	Group		**Co-Ownership**	
	2023	2022	**2023**	2022
	£	£	**£**	£
Aggregate emoluments	**117,764**	114,577	**117,764**	114,577
Pension contributions	**20,966**	20,590	**20,966**	20,590
	138,730	135,167	**138,730**	135,167

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

	2023 Number	2022 Number
More than £70,000 but not more than £75,000	**-**	1
More than £75,000 but not more than £80,000	**1**	-
More than £80,000 but not more than £85,000	**2**	2
More than £110,000 but not more than £115,000	**-**	1
More than £115,000 but not more than £120,000	**1**	-

Notes to the financial statements for the year ended 31 March 2023 (continued)

9 Surplus on sale of housing properties

	Group		Co-Ownership	
	2023	2022	**2023**	2022
	£	£	**£**	£
Sales - first tranche sales	**35,738,886**	44,776,763	**34,556,386**	43,136,763
Cost of sales - first tranche sales	**(29,203,400)**	(39,296,848)	**(28,157,050)**	(37,773,249)
	6,535,486	5,479,915	**6,399,336**	5,363,514
(Loss)/gain on disposal of housing properties – second tranche and after	**(122,457)**	(142,242)	**(122,457)**	(142,242)
Release of provision for impairment of housing properties (note 14)	**800,000**	1,200,000	**800,000**	1,200,000
	7,213,029	6,537,673	**7,076,879**	6,421,272

Comprising:

	£	£	**£**	£
Repossession of properties	**(938,537)**	(851,594)	**(938,537)**	(851,594)
Surplus on Disposal	**7,351,566**	6,189,267	**7,215,416**	6,072,866
Release of impairment of housing properties	**800,000**	1,200,000	**800,000**	1,200,000
	7,213,029	6,537,673	**7,076,879**	6,421,272

As at 31 March 2023, there were 8 (2022: 16) properties remaining in repossession status.

10 Interest receivable and similar income

	Group		Co-Ownership	
	2023	2022	**2023**	2022
	£	£	**£**	£
Interest receivable	**1,231,574**	50,292	**1,115,135**	49,372

11 Interest payable and similar charges

	Group		Co-Ownership	
	2023	2022	**2023**	2022
	£	£	**£**	£
Interest payable	**1,065,226**	1,362,583	**1,065,226**	1,362,583

12 Other finance expenses

	2023	2022
Group and Co-Ownership	**£**	£
Interest on pension scheme	**152,000**	172,000
	152,000	172,000

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

13 Taxation on profit on ordinary activities

	Group		Co-Ownership	
	2023	2022	**2023**	2022
	£	£	**£**	£
UK corporation tax charge on profit for the year	**58,965**	38,759	**-**	-
Total current tax	**58,965**	38,759	**-**	-

Reconciliation of tax expense
The tax assessed on the profit on ordinary activities for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023	2022
	£	£
Surplus on ordinary activities before taxation	**15,743,138**	13,211,679
Surplus on ordinary activities by rate of tax	**2,991,196**	2,510,219
Charitable income not chargeable to tax	**(2,930,544)**	(2,465,882)
Adjustment to tax in respect of previous periods	**(1,687)**	(5,578)
Tax on profit	**58,965**	38,759

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

14 Housing properties

Group	**Cost £**	**Participants' Net Investment £**	**Group Housing Investment £**
At 1 April 2022	1,125,994,237	646,251,349	479,742,888
Transfers of completed schemes and additions in the year	107,210,722	63,221,606	43,989,116
Disposals	(64,256,908)	(35,877,286)	(28,379,622)
Transferred to stock	(5,421,705)	(3,376,449)	(2,045,256)
At 31 March 2023	**1,163,526,346**	**670,219,220**	**493,307,126**
Impairment			
At 1 April 2022			(5,400,000)
Released in the year			800,000
At 31 March 2023			**(4,600,000)**
Uncompleted schemes and additions			
Balance at 1 April 2022			1,275,049
Additions			43,486,619
Transfers			(43,989,115)
At 31 March 2023			**772,553**
At 31 March 2023			**489,479,679**
At 31 March 2022			475,617,937

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

14 Housing properties (continued)

Co-Ownership	Cost £	Participants' Net Investment £	Co-Ownership Investment £
At 1 April 2022	1,121,699,794	646,251,349	475,448,445
Transfers of completed schemes and additions in the year	106,821,731	63,221,606	43,600,125
Disposals	(63,218,249)	(35,877,286)	(27,340,963)
Transferred to stock	(5,421,705)	(3,376,449)	(2,045,256)
At 31 March 2023	**1,159,881,571**	**670,219,220**	**489,662,351**
Impairment			
At 1 April 2022			(5,400,000)
Released in the year			800,000
At 31 March 2023			**(4,600,000)**
Uncompleted schemes and additions			
Balance at 1 April 2022			1,275,048
Additions			43,097,630
Transfers			(43,600,125)
At 31 March 2023			**772,554**
At 31 March 2023			**485,834,904**
At 31 March 2022			471,323,493

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 £8,303,145 (2022: £14,507,945), of which £3,433,911 (2022: £5,605,274) represents Co-Ownership's investment. In addition, negotiations are in progress for the purchase of existing property at a total cost of £20,747,145 (2022: £19,266,600), of which £8,697,204 (2022: £7,974,445) represents Co-Ownership's investment.

15 Housing Association Grant

Group and Co-Ownership	**2023** £	2022 £
At 1 April	**191,183,830**	212,190,877
Receivable in the year	**6,300**	10,150
Repayable - on disposal	**(12,869,822)**	(21,017,197)
At 31 March (note 22)	**178,320,308**	191,183,830

Housing Association Grant (HAG) repayable on disposal consists of amounts paid during the year of £8,064,849 (2022: £11,279,127) and amounts falling due within one year of £4,804,973 (2022: £9,738,070) (note 21).

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

16 Fixed asset investments

Co-Ownership	**2023** **Subsidiary Undertaking** **£**	2022 Subsidiary Undertaking £
Cost	**300,001**	300,001

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

17 Other tangible fixed assets

Group and Co-Ownership	Fixtures and fittings £	Office Equipment £	Total £
Cost			
At 1 April 2022	157,787	404,942	562,729
Additions	3,579	78,351	81,930
At 31 March 2023	**161,366**	**483,293**	**644,659**
Accumulated depreciation			
At 1 April 2022	31,438	319,853	351,291
Charge for the year	16,137	74,353	90,490
At 31 March 2023	**47,575**	**394,206**	**441,781**
Net book amount			
At 31 March 2023	**113,791**	**89,087**	**202,878**
At 31 March 2022	126,349	85,089	211,438

18 Stock

Group and Co-Ownership	**2023** **£**	2022 £
Stock	**2,093,579**	3,315,313

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 2023 (continued)

19 Debtors

Amounts falling due within one year	**Group**		**Co-Ownership**	
	2023	2022	**2023**	2022
	£	£	**£**	£
Rent debtors	**325,112**	349,739	**306,197**	329,383
Less: bad debts provision	**(171,000)**	(196,338)	**(171,000)**	(196,338)
	154,112	153,401	**135,197**	133,045
Prepayments and accrued income	**225,718**	132,040	**222,232**	127,941
	379,830	285,441	**357,429**	**260,986**

20 Current asset investments

	Group		**Co-Ownership**	
	2023	2022	**2023**	2022
	£	£	**£**	£
Short term deposits	**78,687,610**	26,657,589	**70,582,528**	20,058,915

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.

21 Creditors: amounts falling due within one year

	Group		**Co-Ownership**	
	2023	2022	**2023**	2022
	£	£	**£**	£
HAG repayable - on disposal	**4,804,973**	9,738,070	**4,804,973**	9,738,070
Participants' deposits	**240,017**	156,461	**113,724**	1,099
Other creditors	**463,059**	621,927	**463,059**	621,927
DfC Loans (note 23)	**5,000,000**	3,750,000	**5,000,000**	3,750,000
Corporation Tax	**58,965**	38,759	**-**	-
Accruals and deferred income	**687,150**	1,178,415	**668,314**	1,163,746
	11,254,164	15,483,632	**11,050,070**	15,274,842

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

22 Creditors: amounts falling due after more than one year

	Group		Co-Ownership	
	2023	2022	**2023**	2022
	£	£	**£**	£
Bank loan (note 23)	**30,000,000**	30,000,000	**30,000,000**	30,000,000
DfC loans (note 23)	**219,750,000**	188,500,000	**207,250,000**	176,000,000
Housing Association Grant (note 15)	**178,320,308**	191,183,830	**178,320,308**	191,183,830
	428,070,308	409,683,830	**415,570,308**	397,183,830

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	
	2023	2022	**2023**	2022
	£	£	**£**	£
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	
	2023	2022	**2023**	2022
	£	£	**£**	£
Department for Communities loans	**224,750,000**	192,250,000	**212,250,000**	179,750,000
Maturity of financial liabilities:				
Due within one year	**5,000,000**	3,750,000	**5,000,000**	3,750,000
In more than one year, but not more than five years	**34,156,250**	27,171,875	**34,156,250**	27,171,875
Greater than five years	**185,593,750**	161,328,125	**173,093,750**	148,828,125
	224,750,000	192,250,000	**212,250,000**	179,750,000

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 2023 the Group had an undrawn revolving loan facility of £35m.

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 2023 by a qualified actuary for the purpose of the disclosures below.

The major assumptions used by the actuary were:

Group and Co-Ownership	**2023**	2022	2021
Rate of increase in salaries	**4.20%**	4.50%	4.20%
Rate of increase in pensions in payment	**2.70%**	3.00%	2.70%
Discount rate	**4.70%**	2.70%	2.10%
Inflation assumption	**2.70%**	3.00%	2.70%

The mortality assumptions used were as follows:

Group and Co-Ownership	**2023 Years**	2022 Years	2021 Years
Longevity at age 65 for current pensioners:			
- Men	**22.2**	21.8	21.9
- Women	**25.0**	25.0	25.1
Longevity at age 45 for future pensioners:			
- Men	**23.2**	23.2	23.3
- Women	**26.0**	26.4	26.5

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023 (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 2023 £'000**	Value at 31 March 2022 £'000
Equities	**7,541**	9,349
Property	**2,111**	2,179
Bonds	**4,449**	5,862
Asset Credit	**2,507**	2,855
Cash	**1,225**	872
Other	**1,018**	676
Total market value of assets	**18,851**	21,793
Present value of scheme liabilities	**(18,501)**	(27,705)
Net pension surplus/ (deficit)	**350**	(5,912)
Unrecognised asset	**(350)**	-
Net pension deficit recognised in statement of financial position	**-**	(5,912)

Reconciliation of fair value of scheme assets

Group and Co-Ownership	**2023 £'000**	2022 £'000
At 1 April	**21,793**	20,126
Interest income on assets	**592**	424
Member contributions	**174**	158
Employer contributions	**551**	432
Actuarial (losses)/ gains	**(3,767)**	1,086
Benefits paid	**(492)**	(433)
At 31 March	**18,851**	21,793

The actual return on assets was a loss of £3.2m (2022: gain of £1.5m).

Reconciliation of present value of scheme liabilities

Group and Co-Ownership	**2023 £'000**	2022 £'000
At 1 April	**27,705**	28,493
Current service cost	**1,128**	1,158
Interest cost	**744**	596
Member contributions	**174**	158
Actuarial (gains)/ losses	**(10,833)**	(2,267)
Past service cost	**75**	-
Curtailment cost	**-**	-
Benefits paid	**(492)**	(433)
At 31 March	**18,501**	27,705

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

24 Pension commitments (continued)

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

Group and Co-Ownership	**2023** **£'000**	2022 £'000
Current service cost	**1,128**	1,158
Past service cost	**75**	-
Interest on net defined benefit liabilities	**152**	172
Total cost	**1,355**	1,330

Amounts for current and previous four years:

Group and Co-Ownership	**2023** **£'000**	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Fair value of employer assets	**18,851**	21,793	20,126	16,361	12,307
Present value of defined benefit obligation	**(18,501)**	(27,705)	(28,493)	(21,832)	(16,194)
Surplus/ (Deficit)	**350**	(5,912)	(8,367)	(5,471)	(3,887)

Total amount recognised in the statement of changes in reserves

Group and Co-Ownership	**2023** **£'000**	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Actuarial surplus/ (deficit)	**6,716**	3,353	(2,414)	(905)	261

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	**2023** **£**	2022 £
Allotted, issued and fully paid	**34**	34

There were no changes in share capital during the year (2022: 24 shares were cancelled).

26 Revenue reserves

	Group		**Co-Ownership**	
	2023	2022	**2023**	2022
	£	£	**£**	£
Opening reserves	**3,028,089**	2,668,848	**2,716,000**	2,546,000
Net transfer from designated reserves (note 27)	**502,917**	359,241	**48,067**	170,000
Closing reserves	**3,531,006**	3,028,089	**2,764,067**	2,716,000

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 2023 (continued)

27 Designated reserves

Property purchase reserve

Group	**2023** £	2022 £
At 1 April	**116,310,228**	100,143,549
Surplus for the year	**22,400,173**	16,525,920
Transfer to revenue reserve (note 26)	**(502,917)**	(359,241)
At 31 March	**138,207,484**	116,310,228

Co-Ownership	**2023** £	2022 £
At 1 April	**116,115,634**	99,954,308
Surplus for the year	**22,139,917**	16,331,326
Transfer to revenue reserve (note 26)	**(48,067)**	(170,000)
At 31 March	**138,207,484**	116,115,634

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

28 Financial Instruments

	Group		**Co-Ownership**	
	2023	2022	**2023**	2022
	£	£	**£**	£
Financial assets that are debt instruments measured at amortised cost				
Rental debtor (note 19)	**154,112**	153,401	**135,197**	133,045
Short term deposits (note 20)	**78,687,610**	26,657,589	**70,582,528**	20,058,915
Cash at bank and in hand	**10,219,420**	44,330,095	**8,220,644**	41,732,194
	89,061,142	71,141,085	**78,938,369**	61,924,154
Financial liabilities measured at amortised cost				
DfC loans (note 21 and 23)	**224,750,000**	192,250,000	**212,250,000**	179,750,000
Bank loans (note 23)	**30,000,000**	30,000,000	**30,000,000**	30,000,000
Participants' deposits (note 21)	**240,017**	156,461	**113,724**	1,099
Accruals (note 21)	**687,151**	1,178,415	**668,314**	1,163,746
	255,677,168	223,584,876	**243,032,038**	210,914,845

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

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

	2023	2022
	£	£
Surplus in the financial year	**15,684,173**	13,172,920
Taxation	**58,965**	38,759
Gain/(loss) on disposal of housing properties – second tranche and after	**122,457**	142,242
Interest receivable and similar income	**(1,231,574)**	(50,292)
Interest payable and similar charges	**1,065,226**	1,362,583
Other finance expenses	**152,000**	172,000
Operating surplus	**15,851,247**	14,838,212
Surplus on sale of housing properties	**(7,474,024)**	(6,331,509)
Repossession of properties	**938,537**	851,594
Release of impairment of housing properties	**(800,000)**	(1,200,000)
Depreciation	**90,490**	87,956
Movement in debtors	**3,419**	15,217
Movement in creditors	**(573,048)**	(57,532)
Difference between pension charges and cash contributions	**652,000**	726,000
Share capital cancelled	**-**	(24)
Cash inflow from operating activities	**8,688,621**	8,929,914

30 Analysis of consolidated net funds

	1 April 2022 £	Cashflow £	Other non cash movements £	**31 March 2023 £**
Cash at bank and in hand	44,330,095	(34,110,675)	-	**10,219,420**
Short term deposits (note 20)	26,657,589	52,030,021	-	**78,687,610**
Debt due within one year (note 21)	(3,750,000)	3,750,000	(5,000,000)	**(5,000,000)**
Debt due after one year (note 22)	(218,500,000)	(36,250,000)	5,000,000	**(249,750,000)**
Net funds	(151,262,316)	(14,580,654)	-	**(165,842,970)**

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

31 Operating lease commitments

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

	Other 2023	Other 2022	**Land and buildings 2023**	Land and buildings 2022
	£	£	**£**	£
Within one year	**-**	6,394	**223,243**	223,243
Within two to five years	**-**	-	**892,973**	892,973
After five years	**-**	-	**446,486**	669,730
	-	6,394	**1,562,702**	1,785,946

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:

	2023	2022
	£	£
Amounts owed from related party at 1 April	-	-
Management and administration charge to Ownco Homes	15,252	17,305
Donations received from Ownco Homes	30,000	-
Receipts from Ownco Homes	(45,252)	(17,305)
Amounts owed from related party at 31 March	**-**	-

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