Co-Ownership

Annual Report

2021/22

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

Contents

Chair's Report

As I look back on my first year as Chair, I am proud of the vital role Co-Ownership plays in the housing market.

This is the first year of our Corporate Plan which aims to extend our reach and impact on society, be the best we can be for our customers, be strong advocates and trusted partners for home ownership and be a great place to work with high performing teams delivering our service.

The strong demand we saw following the reopening of the housing market in June 2020 continued well into 2021/22 as people continued to find more suitable and secure homes in which to live, work and manage their daily lives. The positive difference having a stable home makes cannot be underestimated as seen through our many Trustpilot testimonials.

The customer, as ever, remains at the heart of what we do at Co-Ownership. The team has worked hard on improving the service we offer and has been rewarded with the ServiceMark accreditation from the Institute of Customer Service, the first organisation in Northern Ireland to achieve this.

> **“Co-Ownership have continued to evolve and develop to help more people achieve home ownership and to progress on all aspects of our Corporate Plan.”**

Refinancing our banking facilities and maintaining our CORE accreditation ensures that we remain a sustainable and socially responsible organisation and we look forward to exploring new opportunities as our work on climate change initiatives continues.

It’s the passion of our people that has allowed us to deliver such strong results in these challenging times. Continuing to progress with our People Strategy, introducing a flexible hybrid working arrangement and achieving Investors In People Silver accreditation has been key to this success. The Board are grateful to our partners in the Department for Communities for their continuing support. On behalf of the Board, thanks are due to our staff and leadership team for their efforts. They remain our most valuable asset and we will continue to develop them to equip them with the skills and resources necessary to deliver excellent service.

David Little, Chairman

Chief Executive's Summary

April 2021 saw the start of a second year of working through a pandemic and dealing with the housing market challenges that presented.

It was a period where Co-Ownership was still in the midst of a large volume of transactions that first started when the housing market reopened in June 2020 and continued throughout 2021. Our ability to manage the volume of purchases and sales and continue to provide an excellent level of customer service pays testimony to the commitment of everyone that works for Co-Ownership and the many partners we work with.

We delivered a strong set of results last year helping 1,144 households buy their home, and 766 customers moved to full homeownership. The figures demonstrate very clearly the level of performance we achieved, but for me and the people who work in Co-Ownership it is the customer testimonials that really show we are doing the right thing and it is the difference we make to people's lives that motivates us to help even more people in the coming years.

> "The investment we have made in digitising our services also proved its worth, indeed it is unimaginable how we would have managed over 2,000 applications without this."

Despite the challenges of managing our operations we have also continued to improve and grow our services and it was very exciting to jointly announce with the Minister for Communities the launch of our new Co-Own for Over 55 product in March 2022.

Looking back on 2021/22 makes me very proud to lead such a great bunch of people who particularly through the challenges of the pandemic helped so many people achieve their dreams of affordable home ownership.

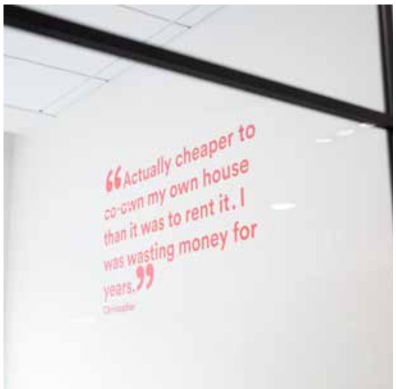
Mark Graham, Chief Executive

Who we are and what we do

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).

We are a registered housing association and an industrial & provident society regulated and funded by Department for Communities (DfC). Co-Ownership is recognised by the HMRC as a charity for taxation purposes and is registered with the NI Charity Commission.

Our purpose is to enable people to become home owners 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 it by themselves. We have a strong sense of social purpose and put people at the heart of what we do, whilst also having a strong commercial focus. We want 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, Rent to Own and Co-Own for Over 55s. Since 1978 we have helped over 30,000 people buy home in Northern Ireland, and currently have over 10,000 co-owners.

The year at a glance

Applications & purchasing activity

2,106
Applications

1,144
Purchases

10,063
Total homes

House prices & Property type

£134,454
Average price of a Co-Own Property

31%
New Builds

55%
Semi-detached

31%
Terrace

8%
Apartment

6%
Detached

New customer profile

93%
First Time Buyers

48%
No deposit

£8,166
Average deposit

£23,460
Median gross annual earnings

46%
From private rental sector

32
Average age of a Co-Own customer

Existing customers

766
Full buy outs

116
Part buy outs

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.

Reviews 583 • Excellent

Paul

Co-Ownership online application was very straightforward and easy to upload all documents, staff were extremely helpful and knowledgeable. From initial application to house offer being accepted was less than 6 weeks. Without their help I would not have be able to buy a house.

Carly

Great service from start to finish very helpful staff would definitely recommend.

Jemma

Co-Ownership were very straightforward to work with. All the information is provided online and easy to read. Each step was easy to complete and if I had any questions then all the staff I spoke to were very helpful. I would definitely recommend using them. Using Co-Ownership enabled us to buy our first home after 17 years of renting.

Laura

Co-Ownership were invaluable to me in order to get on the properly ladder as a single person. The housing market is very rough and can seem so daunting, but the guys at Co-own made it much easier to see the light at the end of the tunnel. I now own an amazing home which I'm so thankful for and very grateful that the scheme exists!

Christopher & Tamzin

Absolute pride, I'm 32 and a lot of my friends had already bought their homes a few years ago, so it feels amazing to be able to say I'm now a homeowner. We have both worked so hard to get to this point, it's amazing, the kids can paint their rooms whatever colour they want, they have space to play outside, and we don't have to worry about a landlord giving us 4 weeks' notice.

Dorothy

Great experience with Co-Ownership. At 55 thought I was too old to buy my first home after renting all my life, but after a quick application I was approved and any small problems and queries were quickly sorted out by the great team at Co-Ownership. Now living in my own house with a Mortgage not much more than renting, I would definitely recommend anyone to try this route for themselves. Thank you to everyone that helped.

Rachel

As a single mum with 3 children home ownership was totally unaffordable for me, even though I was working full time. I went to see a mortgage adviser who discussed Co-Ownership. I had an IVA, so I had to get my credit score and file sorted before applying which took a few months, but once I had my credit report good, the application was plain sailing and very fast. Through Co-Ownership I was able to afford to buy my home. It was a god send for me and my only way to get out of the private rental market. I could not have bought a home without it.

Craig

Very helpful and personable. Highly recommend.

Shauna

My mum and dad bought their first house through Co-Ownership in the 1980s, so I decided to have a look to see if it might be something that would help me get onto the property ladder. I visited the website which was full of information, videos, and everything I needed to know to help me decide whether it was an option for me. The whole process was easy, timely and the customer support is among the best I've ever received. Anytime I called with a question or information, everyone was so helpful, friendly, and showed a genuine interest. Co-Ownership is an excellent way to get onto the property ladder, I was supported through each stage and it is an excellent choice for first time buyers, especially single applicants like myself.

Performance Highlights

Applications

A total of 2,106 applications were received for Co-Ownership during 2021-22. This is comparable to application volumes received in 2019-20 (2,259) but lower than the total recorded during 2020-21 (3,034) when Co-Ownership received unprecedented levels of demand due to the impact of the COVID-19 pandemic.

Property purchasing activity

During 2021/22 a total of 877 homes were accepted for purchase on behalf of Co-Ownership customers. 1,144 Co-Ownership customers received keys to their home. This represents the highest number of completions recorded in a business year since 1985/86. Purchases were recorded across all eleven council areas which demonstrates the continuing demand for affordable home ownership across a diverse range of housing markets in Northern Ireland. We ended the year with stock of 10,063 Co-Ownership homes.

House prices

During 2021/22, the average Co-Ownership purchase price was £134,454. The average price for new build properties was £145,681 and £129,403 for existing build properties. The average purchase price for a property in Northern Ireland was £164,590 in March 2022 (Source: NISRA NI House Price Index, Jan – Mar 2022).

New build housing

During 2021/22, 355 of the 1,144 properties purchased were new builds (31%). Armagh, Banbridge and Craigavon council area recorded the highest volume of new build completions during 2021/22 (107), followed by Antrim and Newtownabbey (47).

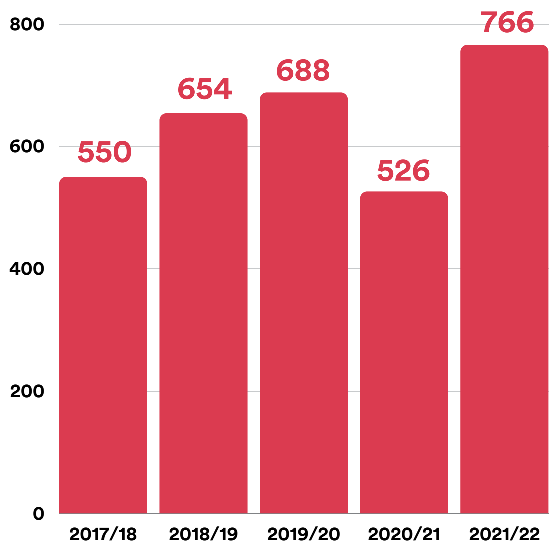
Property Value Limit

Following in-year review, the property value limit for Co-Ownership increased from £165,000 to £175,000.

Buying out

Customers buying out the Co-Ownership share of their home makes a real difference and allows us to reuse that money to help other customers who need Co-Ownership to get started.

During 2021/22, 766 customers fully bought out the remaining share in their property. This is the highest total achieved since 2006/07. In addition, there were 116 part buy outs recorded, up from 75 during 2020/21.



Customers buying out in full, 2017/18 – 2021/22

First time buyers

During 2021/22, 93% of customers were first time buyers. First time buyers are essential to the housing market in Northern Ireland. Co-Ownership's product complements the offering from the mainstream market as it provides a route into homeownership for first time buyers who cannot avail of a full mortgage or raise the sufficient deposit amount required. Whilst the majority of Co-Ownership customers are first time buyers, 7% of Co-Ownership purchasers during 2021/22 had previously owned a home.

Deposit

Raising a deposit remains one the main barriers to homeownership for first time buyers in Northern Ireland. During 2021/22, almost half of Co-Ownership customers were able to access home ownership without a deposit (48%). The deposit amounts saved by Co-Ownership customers are significantly lower in comparison to the amounts raised by first time buyers in Northern Ireland. The average deposit amount for a Co-Ownership customer during 2021/22 was £8,166 whilst the average deposit amount for first time buyers in Northern Ireland currently stands at just under £30,000[1].

Earnings

During 2021/22, the median gross annual earnings for a Co-Ownership customer was £23,460[2].

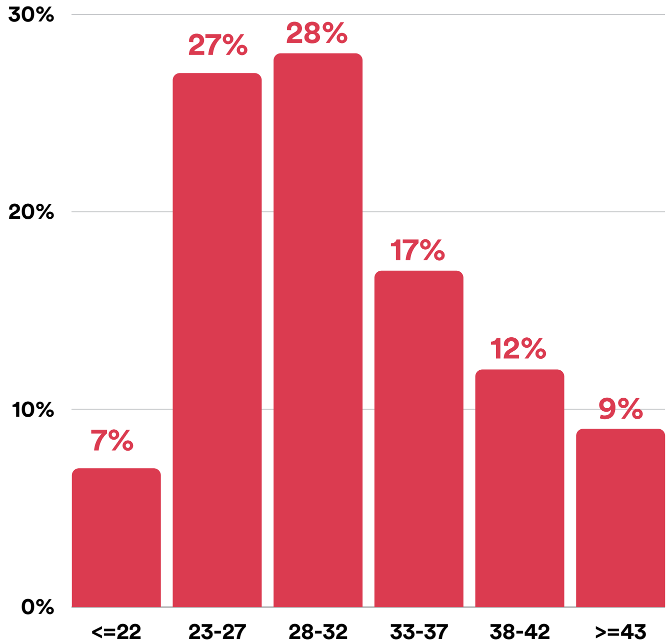
Previous tenure

Of those Co-Ownership customers who received keys to their home during 2021/22, almost half came from the private rented sector (46%). The remainder comprised of customers who had previously been living with friends/family (53%) whilst a small number had been in social housing (1%)[3].

[1] Halifax First-Time Buyer Review, 2021
[2] Applicant 1
[3] Applicant 1

Age

The average age of a Co-Ownership customer during 2021/22 was 32[4] which is just slightly higher than last year (31). The most common age groups of Co-Ownership 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. However, 28 to 32 has now replaced 23 to 27 as the age band where Co-Ownership purchasers are most commonly found.



Co-Ownership purchasers by age band, 2021/22

[4] Applicant 1

Operational Highlights

Customer Services

We were delighted to become the first organisation in Northern Ireland to achieve the Institute of Customer Services ServiceMark accreditation which recognises our service delivery and commitment to improve. The customer stories about the impact of Co-Ownership on their lives during the year have inspired the team and we continue to achieve an excellent TrustPilot rating with an average of 4.8

ServiceMark
Accredited from Feb '22 to Feb '25
The Institute of Customer Service

Our partnership with AnyNest, a not-for-profit housing organisation in the West Midlands launched in the Autumn and is progressing well.

Our digital programme is continues to make good progress, focusing on the digitisation of our valuations process which will improve the customer experience of our property assessment significantly.

Product Development

During the year Co-Ownership announced a new affordable housing initiative for people aged 55 and over who want to move to a more suitable home that better meets their needs. The initiative was launched by the Minister for Communities on 14 March 2022 at Stormont. Minister Hargey said;

> ***"It is vitally important that we promote access to affordable, good quality housing that supports peoples' wellbeing in later life. I am therefore delighted to announce a funding allocation of £8 million to Co-Ownership to pilot a new affordable housing product, which will provide people with the opportunity to purchase homes which are more manageable and suitable as they age."***

Expressions of interest in the new product were taken from 14 March with full applications being taken in June 2022.

Also, during the year, our property value limit was reviewed by the Department for Communities and was increased from £165,000 to £175,000 from 1 December 2021. We also took the opportunity to clarify aspects of our criteria relating to credit, service charges and self-employed applicants.

Marketing Activity

During 2021/22 we continued to promote our brand campaign. Awareness and understanding of Co-Ownership and our key messages is continuing to grow.

Promotion was also enhanced in November 2021 with the introduction of a digital activation campaign designed to drive applications to Co-Own. The campaign was successful in driving users to the website and the calculator. We also saw an uplift in accounts created on the portal, but overall applications submitted remained similar to previous months. This may have coincided with changes affecting the supply of homes and cost of living increases.

As part of our aim to ensure everyone across Northern Ireland is aware of the availability of Co-Ownership, in 2021/22 we started the roll out of a regional press campaign. Every month, we publish relevant, localised content in 1-2 regional press titles. We also target these local press titles with national press releases to ensure we get most opportunity to share our messages across the province.

Prior to taking applications for Co-Own for Over 55s in June 2022, we developed the online presence for Co-Own for Over 55s, creating content for it alongside Co-Own and Rent to Own as well as a full product brochure.

In advance of the live date, we developed the online presence for Co-Own for Over 55s, creating content for it alongside Co-Own and Rent to Own as well as a full product brochure. Engagement has started with housing, age and health sector stakeholders on the new product, and meetings and webinars have been held to explain it further.

L-R: Mark Graham, Chief Executive at Co-Ownership and Deirdre Hargy, Minister for Communities

People

We continued to take forward our People Strategy during the COVID pandemic. It is testament to the great passion of our people that we continued to deal with high volumes of applications and the range of corporate objectives throughout this period. To help our people transition back to office working we held a number of reconnection all staff events off site.

We also launched our new staff recognition scheme, the Extra Milers, to recognise and thank people for good work as well as our new Health & Wellbeing strategy and policy. We continued to support the upskilling of our line managers through a Leadership Development Programme and to embed our Values & Behaviours into our key HR processes. We were delighted to receive our Investors in People silver accreditation in December 2021.

Community investment

We continued our work to maintain our accreditation by Business in the Community under CORE – the standard for responsible business and Northern Ireland's only Corporate Responsibility Standard. Additionally, we once again attained bronze status in their Environmental Survey.

During the year, we awarded our community fund to Street Soccer NI, Bogside & Brandywell Health Forum, Extern NI and Ligoniel Improvement Association.

Staff raised a fantastic £4038.17 for Alzheimers NI during the year. Their support and enthusiasm for this charity has really helped make a difference.

15 volunteers from our team have given time each week to the AgeNI Check in and Chat service donating 320 hours of time to support elderly vulnerable people facing loneliness. They have also given of their time to support Age NI with an outbound call campaign to vulnerable older people.

L-R: Pauline O'Neill, Ligoneil Improvement Association, Sarah Griffin, Extern NI, David Little, Chair at Co-Ownership, Mark Graham Chief Executive at Co-Ownership, Mary Breslin, Bogside & Brandywell Health Forum and Justin McMinn, Street Soccer.

Governance & Risk Management

Co-Ownership is governed by a Board of Management, made up of non-executive directors elected from our shareholders.

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

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

As non-executives, the Board delegates day to day responsibility for the operation of the business to the executive management team via a scheme of delegation clearly outlining board and executive responsibilities. The Board met 7 times in the year with an overall attendance rate of 74%.

Individual board member attendance

Board Member	Attendance Rate
Sid McDowell (stood down June 2021)	66%
Jack Hood (stood down June 2021)	100%
Damien McElholm (stood down June 2021)	100%
Alyson Kilpatrick	85%
Norman McKeown	100%
Phillip Price	71%
Derek Wilson	100%
David Little	100%
Nicola McCrudden (appointed June 2021)	42%
Alastair Coulson	42%
Alan Ledlie	57%
Gillian Greer	71%
Sam Dickey	42%
Jordan Buchanan	100%

In the year, the Board conducted a comprehensive review of Co-Ownership's governing "rules" and new updated rules were approved at the 2021 AGM.

We noted the departure of Sid McDowell, Jack Hood and Damien McElholm from the Board during 2021-22 and we thank them all for their insight and professionalism during their tenure. Following an earlier succession planning and recruitment exercise, the Board elected a new Chair, David Little, at the 2021 AGM.

Looking ahead, the Board will continue to refresh its membership and improve its practices through regular self-evaluation and external assessment. To support this, a Recruitment & Remuneration Committee was created in the year.

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 the Finance and HR committee (FHR) 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.

Board Members and Executive Team
Back Row (L-R): Charles O'Neill, Andrew Shott, Alan Ledlie, Samuel Dickey, Gillian Greer, Derek Wilson, Nicola McCrudden, Alastair Coulson, Jordan Buchanan
Front Row (L-R): Glynis Hobson, Norman McKeown, Alyson Kilpatrick, David Little, Philip Price, Mark Graham

Audit, Risk & Governance Committee Chair's report

The ARG Committee met 5 times in the year to review the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the findings and recommendations of any authorised audits.

Following the withdrawal of PricewaterhouseCoopers from audit services in the housing sector, we appointed new external auditors during the year. Once again, we received a clean audit result from our new auditors BDO. We also received a satisfactory assurance rating, (the highest possible rating), from our internal auditors, KPMG, following a comprehensive review programme. The Committee had oversight of the procurement of the new auditors and provided recommendation to Board on the appointment of BDO. They were also involved in reviewing and agreeing the approach and timeline of all audit activities.

The ARG Committee conducted a thorough review of the risk register and reviewed several policies during the year.

The Committee has continued to focus on enhancing operational resilience, IT and information security, including the risk implications of increased homeworking. There has also been a focus on considering and ensuring appropriate levels of insurance were in place including cyber security insurance.

The Committee reviewed and approved updates to Data Protection policy during 2021/22 and were satisfied overall with adherence to audit, risk and governance requirements.

Philip Price, Chair of the ARG Committee

Finance & HR Committee Chair's report

The FHR Committee met 8 times in 2021/22 to report to the Board on matters relating to finance, HR and the operations of the organisation.

Funding the ambition of Co-Ownership to help more people was a key focus during the year with the Committee, having considered various funding options, concluding a seven funding arrangement with its corporate lender as the optimal option. A new bank loan agreement and an interest hedging arrangement were agreed with the Committee's oversight. Government funding for the new Over 55 product and for existing products were also considered and agreed.

The Committee closely monitored the performance and compliance with policies through the review of financial accounts, operational reports, loan covenant metrics, treasury position, budgets and procurements. Various business cases were considered by the Committee for new initiatives, including digitising the valuation processes.

On Human Resources, the Committee reviewed the People Strategy and monitored the associated action plan which included resourcing, learning and development and Health & Wellbeing. This year they considered the phased return of staff to the office post the COVID-19 pandemic ensuring there was appropriate focus on maintaining the health and safety of staff, whilst continuing operational delivery. This resulted in the approval of a hybrid working policy to reflect changing business practice post the pandemic.

Overall the Committee were very pleased with Co-Ownership's financial and operational performance for the year, its development and the management of its people.

Norman McKeown, Chair of the FHR Committee

Our Board Members

David Little
Chair

Alyson Kilpatrick
Vice Chair

Philip Price

Alastair Coulson

Samuel Dickey

Gillian Greer

Norman McKeown

Derek Wilson

Jordan Buchanan

Alan Ledlie

Nicola McCrudden

I wouldn't have been able to get the home that I wanted at the time that I wanted it without the help of Co-Ownership. They allowed me to make that a reality, and I'm very grateful for that.

Michael

co-ownership.org

Financial Performance

Financial Performance

Co-Ownership has produced a group surplus of £13.2m for the year ended the 31 March 2022, which compares favourably to a surplus of £9.2m in the previous financial year. This surplus will be used to help more people into homeownership next year.

Improving house prices in the housing market, has resulted in improved surpluses on the sale of housing properties which have increased by £3.2m to £5.3m.

Following an impairment review a provision release of £1.2m further added to the surplus.

Income increased by 43% to £58.7m, primarily reflecting a growth 60% increase in turnover from the sale of homes to £44.8m, resulting from increased customer staircasing activity.

£13.2m
Surplus

43%
Increase in income

Financial Position

The balance sheet remains strong, with net assets having increased by £16m to £119m by 31 March 2022.

During 2021/22 Co-Ownership helped new customers by investing £63m into homes, which together with customer contributions of £93m represented a £156m investment in the Northern Ireland property market. After taking account of staircasing, Co-Ownership's investment in housing properties increased to £476m at the year end.

Cash and deposit balances increased by £3m to £71m, and provide good liquidity for the operations into the future.

£63m
Investment into homes

£156m
Investment into Northern Ireland market

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 £44m of Financial Transaction Capital during the year, including £8m to fund Co-Ownership's new affordable housing product for older people, Co-Own for Over 55s.

During 2021/22 sales proceeds generated £20m of grant repayable to the Department for Communities and in addition Co-Ownership also made £2.5m of loan repayments to the Department.

New loan facilities totalling £65m were agreed with Bank of Ireland for a seven year period and having considered the hedging options the interest rate on £30m of this facility was fixed. The bank debt was reduced by £13m during the year, leaving a drawn loan balance of £30m at the year end.

£22.5m
Grant and loan repayments to DFC

£65m
Bank of Ireland loan agreement

Conclusion

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

L-R: Adrian Carville, Associate Director at Bank of Ireland and Andrew Shott, Director of Finance at Co-Ownership.

Financial Statements

Registered number: IP 200
Charity Registration Number: NIC101435

Northern Ireland Co-Ownership Housing Association Limited

Annual report and financial statements for the year ended 31 March 2022

Northern Ireland Co-Ownership Housing Association Limited

Annual report and financial statements for the year ended 31 March 2022

Contents	Pages

Northern Ireland Co-Ownership Housing Association Limited

Board of management and advisers

Board of management

David Little (Chair)
Jordan Buchanan
Alastair Coulson
Samuel Dickey
Audrey Fleming (co-opted 7th April 2022)
Gillian Greer
Jack Hood (resigned on 24th June 2021)
Alyson Kilpatrick
Alan Ledlie
Nicola McCrudden (appointed on 24th June 2021)
Sid McDowell (resigned on 24th June 2021)
Damian McElholm (resigned on 24th June 2021)
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
Lindsay House
10 Callender Street
Belfast
BT1 5BN

Northern Ireland Co-Ownership Housing Association Limited

Strategic report of the Board of Management for the year ended 31 March 2022

The Board of Management presents its strategic report for the year ended 31 March 2022 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 compliments the Group by providing a route to home ownership when a full mortgage or Co-Ownership are currently unattainable.

Our Purpose: To enable people to become homeowners.

Our Vision: To lead the way on affordable home ownership.

Our Values: Putting customers first, working together, doing the right thing, and evolving and improving.

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

Co-Ownership has developed a three year corporate plan which sets out an ambition 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 2022, comprised 60 employees, of which 38 are female and 22 are male and the Board of Management which comprised 12 members of which 8 are male and 4 are female. The average number of employees (including Chief Executive and excluding the board members) during the year by activity included 2 temporary (2021: 3) and 61 Permanent staff (2021: 60).

Review of business and future developments

During the year Co-Ownership helped customers purchase a total of 1,144 (2021: 1,081) properties and as a result the housing property portfolio increasing from £451m to £471m. Staircasing activity resulted in 782 full property sales transactions (2021: 540) and 116 partial staircases (75 in 2021). The level of repossession sales remained low and totaled 16 for the year (2021: 14). At 31 March 2022 Co-Ownership had interests in 10,063 homes (2021: 9,701). The surplus for the year amounted to £13.2m (2021: surplus £9.2m). These metrics represent the key performance indicators of the Group.

The Department for Communities (DfC) provided Co-Ownership with Financial Transaction Capital of £44m 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 £20m of grant repayable to DfC and in addition Co-Ownership made £2.5m of loan repayments to DfC.

A new £65m loan facility was agreed with Bank of Ireland during the year for a seven year period. The bank debt was reduced by £13m during the year, leaving a drawn loan balance of £30m at the year end. A fixed interest rate has been agreed on the drawn loan in order to manage the risk of rising interest rates.

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 £14m 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 2022 (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 announced to the market in March 2022 with the aim of helping provide affordable homeownership for people who are retired or are approaching retirement. Plans are well advanced to launch the product in the next financial year.

Ownco completed its fourth full year of trading and purchased 10 houses at a total cost of £1.6m making 74 purchases to date. There were 10 property sales in the year, of which 6 were to tenants. At the 31 March 2022 there were 28 houses held in stock and £9.1m held on deposit for reinvestment.

Results

The surplus for the year amounted to £13.2m (2021: surplus £9.2m). The increase in surplus is primarily due to an increase in the surplus on the sale of housing properties to £6.5m (2021: £2.4m) as detailed in note 9. The rent increased to £13.9m (2021: £13.1m).

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

COVID 19

The Covid 19 pandemic continued to affect society during the year. Despite this, Co-Ownership maintained customer service, control over its operations and employee safety throughout this period. The Board of Management continued to meet using online technology, which enabled it to maintain oversight and governance of the organisation, and a mix of office and homeworking enabled staff to continue to operate. The Board of Management monitored the impact of outbreak on its employees, its customers, its supply chain and its financial forecasts.

The government restrictions have now eased and the Board of Management were satisfied with the performance of Co-Ownership's operations during the pandemic. The proactive steps taken early ensured a continuation of service throughout the period.

Environment

As an organisation with a social purpose, the Group recognises its responsibility to carry out its operations whilst minimising environmental impact and has a Corporate Social Responsibility Strategy in place for this purpose.

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.

Northern Ireland Co-Ownership Housing Association Limited

Strategic report of the Board of Management for the year ended 31 March 2022 (continued)

Funding
At the year-end the Group held cash and deposit balances of £71m (2021: £68m), net current assets of £59m and total net assets in excess of £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. Funds have been managed in accordance with the Group's treasury management policy.

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. 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.

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 Group 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 2022 (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.

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

- Helped 1,144 people take the step towards owning their own home.
- Co-Ownership contributed to a total spend of £153m in the Northern Ireland housing market by purchasing 1,144 properties, including 355 new build properties.
- Enabled 766 people to fully purchase outright their own home and 116 people to purchase further equity in their home.
- Maintaining a high standard of customer service and operational effectiveness during the Covid pandemic, evidenced by being 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.

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 & Human Resources Committee reviews these documents in detail and receives regular performance reports from the Senior Executive Officers, including management accounts, performance indicators and Human Resource reports, 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.

Northern Ireland Co-Ownership Housing Association Limited

Strategic report of the Board of Management for the year ended 31 March 2022 (continued)

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.

A new Recruitment and Remuneration Committee was established during the year to ensure the Board of Management retains an appropriate structure, size and balance of skills to support the strategic objectives and values of Co-Ownership. It will also assist the Board of Management in meeting its responsibilities regarding the determination, implementation and oversight of the Chief Executive's and Executive Director level remuneration arrangements and to support the recruitment process for Executive level appointments.

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.

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
22 September 2022

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management for the year ended 31 March 2022

The Board of Management presents its report for the year ended 31 March 2022 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 2022 and expected performance in the year ended 31 March 2023

The sections on performance in the year ended 31 March 2022 and expected performance in the year ended 31 March 2023 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 2020/21 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

Donations totalling £22,000 (2021: £22,000) were made by Co-Ownership Housing during the year.

No donations for political purposes were made during the year (2021: £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	**21/22**	**20/21**
Energy consumption used to calculate emissions (kWh)	**113,548**	**90,783**
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	**27**	**21**
Offset by "Green Tariff" (kWh)	**(27)**	**(21)**
Net emissions in metric tonnes CO2e	**-**	**-**
Intensity ratio Tonnes CO2e / £m revenue	**0.47**	**0.52**
Adjusted ratio for "Green Tariff"	**-**	**-**

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management for the year ended 31 March 2022 (continued)

Energy and carbon reporting (continued)

The Group utilise a "Green Tariff" which provides 100% renewable energy. Energy consumption increased during the year due to more office usage as Covid 19 restrictions eased.

Methodology

To determine emissions for the year ended 31 March 2022, 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.

Energy efficiency measures

The Group has an Environmental policy statement which sets out its aims on environmental matters and how these will be achieved. Some of the energy efficiency actions taken by the Group are:

- Reducing office energy usage through Switch-off' campaigns, use of PIR sensors on all lights, opting for a green energy tariff on electricity supplies, minimising waste by recycling and digitising processes to reduce paper consumption.
- Communicating to staff practical ways to lower the carbon footprint and promoting use of public transport.
- Providing energy saving ideas to home buyers, through the Steps to Buy NI website.
- Commencing work to understand the impact on our customers as homeowners to support the government strategy to achieve net zero energy and to develop an appropriate Group action plan.

Independent auditors

During the year a tendering exercise for the audit services was conducted with BDO Northern Ireland being the successful applicant. Following the conclusion of the tendering exercise, the existing auditors, PricewaterhouseCoopers LLP, resigned and BDO Northern Ireland were appointed as auditors.

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

Gillian Hughes
Company Secretary
22 September 2022

Northern Ireland Co-Ownership Housing Association Limited

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

AUDIT REPORT

Opinion on the financial statements

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 2022 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.

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 2022 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).

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".

Northern Ireland Co-Ownership Housing Association Limited

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

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

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

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

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

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.

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

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

Other Required Reporting (continued)

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 2022

We have no exceptions to report arising from this responsibility.

Nigel V W Harra, senior statutory auditor
For and on behalf of BDO Northern Ireland
10 Callender Street
Belfast
BT1 5BN

Northern Ireland Co-Ownership Housing Association Limited

Consolidated statement of comprehensive income for the year ended 31 March 2022

	Note	**2022** £	2021 £
Turnover	5	**58,677,924**	41,009,612
Cost of sales	5	**(39,397,635)**	(25,943,629)
Operating costs	5	**(5,642,077)**	(5,209,659)
Release of impairment of housing properties	14	**1,200,000**	400,000
Operating surplus	6	**14,838,212**	10,256,324
(Loss)/gain on disposal of housing properties	9	**(142,242)**	35,268
Interest receivable and similar income	10	**50,292**	39,262
Interest payable and similar charges	11	**(1,362,583)**	(983,604)
Other finance expenses	12	**(172,000)**	(121,000)
Surplus before tax		**13,211,679**	9,226,250
Taxation	13	**(38,759)**	(24,598)
Surplus for the financial year		**13,172,920**	9,201,652
Actuarial surplus/ (deficit) recognised in pension scheme	24	**3,353,000**	(2,414,000)
Total comprehensive income for the financial year		**16,525,920**	6,787,652

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

Consolidated statement of changes in reserves for the year ended 31 March 2022

	2022 £	2021 £
Surplus for the financial year	**13,172,920**	9,201,652
Actuarial surplus/ (deficit) recognised in pension scheme (note 24)	**3,353,000**	(2,414,000)
Share capital (cancelled)/ issued	**(24)**	2
Net movement in capital and reserves	**16,525,896**	6,787,654
Opening total capital and reserves	**102,812,455**	96,024,801
Closing total capital and reserves	**119,338,351**	102,812,455

Northern Ireland Co-Ownership Housing Association Limited

Co-Ownership statement of comprehensive income for the year ended 31 March 2022

	Note	2022	2021
		£	£
Turnover	5	**56,852,592**	38,056,016
Cost of sales	5	**(37,874,036)**	(23,228,707)
Operating costs	5	**(5,572,777)**	(5,117,741)
Release of impairment of housing properties	14	**1,200,000**	400,000
Operating surplus	6	**14,605,779**	10,109,568
(Loss)/gain on disposal of housing properties	9	**(142,242)**	35,268
Interest receivable and similar income	10	**49,372**	38,571
Interest payable and similar charges	11	**(1,362,583)**	(983,604)
Other finance expenses	12	**(172,000)**	(121,000)
Surplus for the financial year		**12,978,326**	9,078,803
Actuarial gain/ (deficit) recognised in pension scheme	24	**3,353,000**	(2,414,000)
Total comprehensive income for the financial year		**16,331,326**	6,664,803

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

Co-Ownership statement of changes in reserves for the year ended 31 March 2022

	2022	2021
	£	£
Surplus for the financial year	**12,978,326**	9,078,803
Actuarial gain/ (deficit) recognised in pension scheme (note 24)	**3,353,000**	(2,414,000)
New share capital (cancelled)/ issued	**(24)**	2
Net movement in capital and reserves	**16,331,302**	6,664,805
Opening total capital and reserves	**102,500,366**	95,835,561
Closing total capital and reserves	**118,831,668**	102,500,366

Northern Ireland Co-Ownership Housing Association Limited

Consolidated statement of financial position as at 31 March 2022

	Note	**2022** £	2021 £
Fixed assets			
Housing properties	14	**475,617,937**	454,939,431
Other tangible assets	17	**211,438**	258,899
		475,829,375	455,198,330
Current assets			
Stock	18	**3,315,313**	3,340,795
Debtors	19	**285,441**	403,975
Investments	20	**26,657,589**	15,012,318
Cash at bank and in hand		**44,330,095**	53,034,427
		74,588,438	71,791,515
Creditors: amounts falling due within one year	21	**(15,483,632)**	(12,619,513)
Net current assets		**59,104,806**	59,172,002
Total assets less current liabilities		**534,934,181**	514,370,332
Creditors: amounts falling due after more than one year	22	**(409,683,830)**	(403,190,877)
Net assets excluding pension deficit		**125,250,351**	111,179,455
Pension deficit	24	**(5,912,000)**	(8,367,000)
Net assets including pension deficit		**119,338,351**	102,812,455
Capital and reserves			
Called up share capital	25	**34**	58
Revenue Reserves	26	**3,028,089**	2,668,848
Designated Reserves	27	**116,310,228**	100,143,549
Total capital and reserves		**119,338,351**	102,812,455

The financial statements on pages 13 to 39 were approved by the Board of Management on 22 September 2022 and were signed on its behalf by:

David Little – **Board Member**

Mark Graham – **Chief Executive**

Philip Price – **Board Member**

Registered number: IP 200
Charity Registration Number: NIC101435

Northern Ireland Co-Ownership Housing Association Limited

Co-Ownership statement of financial position as at 31 March 2022

	Note	**2022 £**	2021 £
Fixed assets			
Housing properties	14	**471,323,493**	450,728,337
Other tangible assets	17	**211,438**	258,899
Investments	16	**300,001**	300,001
		471,834,932	451,287,237
Current assets			
Stock	18	**3,315,313**	3,340,795
Debtors	19	**260,986**	376,445
Investments	20	**20,058,915**	15,012,318
Cash at bank and in hand		**41,732,194**	43,949,081
		65,367,408	62,678,639
Creditors: amounts falling due within one year	21	**(15,274,842)**	(12,407,633)
Net current assets		**50,092,566**	50,271,006
Total assets less current liabilities		**521,927,498**	501,558,243
Creditors: amounts falling due after more than one year	22	**(397,183,830)**	(390,690,877)
Net assets excluding pension deficit		**124,743,668**	110,867,366
Pension deficit	24	**(5,912,000)**	(8,367,000)
Net assets including pension deficit		**118,831,668**	102,500,366
Capital and reserves			
Called up share capital	25	**34**	58
Revenue reserves	26	**2,716,000**	2,546,000
Designated Reserves	27		99,954,308
Total capital and reserves		**118,831,668**	

The financial statements on pages 13 to 39 were approved by the Board of Management on 22 September 2022 and were signed on its behalf by:

David Little – **Board Member**

Mark Graham – **Chief Executive**

Philip Price – **Board Member**

Registered number: IP 200
Charity Registration Number: NIC101435

Northern Ireland Co-Ownership Housing Association Limited

Consolidated statement of cash flows for the year ended 31 March 2022

	Notes	2022	2021
		£	£
Net cash inflow from operating activities	29	**8,929,914**	8,649,122
Tax paid		**(23,302)**	(24,599)
		8,906,612	8,624,523
Investing activities			
Purchase of properties		**(62,147,542)**	(57,461,653)
Housing Association Grant received for purchase of properties		**113,466**	23,938,894
Sale of properties		**48,032,191**	32,233,928
Housing Association Grant repaid on sale of properties		**(19,361,003)**	(15,976,979)
Purchase of other tangible fixed assets		**(40,493)**	(200,410)
Interest received		**50,292**	39,262
Net cash used in investing activities		**(33,353,089)**	(17,426,958)
Cash flows used in financing activities			
New term loans		**44,250,000**	39,250,000
Repayment of Loans		**(15,500,000)**	(1,250,000)
Interest paid		**(1,362,584)**	(983,603)
Issue of share capital		**-**	2
Net cash used in financing activities		**27,387,416**	37,016,399
Net increase in cash and cash equivalents		**2,940,939**	28,213,964
Cash and cash equivalents at the beginning of the year	30	**68,046,745**	39,832,781
Cash and cash equivalents at the end of the year		**70,987,684**	68,046,745

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

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 2022. 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 2022

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 recognized 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.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

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 recognized in the statement of comprehensive income.

The contributions are determined by qualified actuaries on the basis of quinquennial 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.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

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 and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of one month or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Current asset investments

Current asset investments are investments in short-term deposits with an original maturity between one and twelve months. All current asset investments held with a maturity of less than three months 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.

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 comprehensive 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 2022

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 present value of the estimated cash flows discounted at the asset's original effective interest rate. 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 loans from fellow company companies, 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 2022

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. It secures a second charge over properties and if the occupier fails to pay the lender, the property is repossessed. The association 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 £1.2m 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 liability include estimates of inflation, mortality, discount rate and anticipated salary increases. The Group uses the Group's actuaries to value the schemes 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 deficit from year to year.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

5 Lettings and other related

	Group		Co-Ownership	
	2022	2021	**2022**	2021
Turnover	**£**	£	**£**	£
Rents (see below)	**13,901,161**	13,133,094	**13,715,829**	12,935,948
First Tranche Sales (note 9)	**44,776,763**	27,876,518	**43,136,763**	25,120,068
	58,677,924	41,009,612	**56,852,592**	38,056,016
Cost of sales				
Rents	**(100,787)**	(96,901)	**(100,787)**	(96,901)
First Tranche Sales (note 9)	**(39,296,848)**	(25,846,728)	**(37,773,249)**	(23,131,806)
	(39,397,635)	(25,943,629)	**(37,874,036)**	(23,228,707)
Operating costs				
Valuation fees	**(265,780)**	(314,362)	**(265,780)**	(314,362)
Management	**(4,740,702)**	(4,491,191)	**(4,671,402)**	(4,399,273)
Non cash pension costs	**(726,000)**	(361,000)	**(726,000)**	(361,000)
Bad Debt Written off	**90,405**	(43,106)	**90,405**	(43,106)
	(5,642,077)	(5,209,659)	**(5,572,777)**	(5,117,741)
Release of impairment of housing properties (note 14)	**1,200,000**	400,000	**1,200,000**	400,000
Operating surplus	**14,838,212**	10,256,324	**14,605,779**	10,109,568
(Loss)/gain on disposal of housing properties (note 9)	**(142,242)**	35,268	**(142,242)**	35,268
Interest receivable and similar income (note 10)	**50,292**	39,262	**49,372**	38,571
Interest payable and similar charges (note 11)	**(1,362,583)**	(983,604)	**(1,362,583)**	(983,604)
Other finance expenses (note 12)	**(172,000)**	(121,000)	**(172,000)**	(121,000)
Surplus before taxation for the year	**13,211,679**	9,226,250	**12,978,326**	9,078,803

	Group		Co-Ownership	
Turnover from lettings	**2022**	2021	**2022**	2021
	£	£	**£**	£
Rents	**13,728,423**	12,886,511	**13,543,091**	12,689,365
Processing fees	**172,738**	246,583	**172,738**	246,583
	13,901,161	13,133,094	**13,715,829**	12,935,948

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

Analysis of operating costs for the year ended 31 March 2022

5 Analysis of operating costs

	Group		Co-Ownership	
	2022	2021	**2022**	2021
	£	£	**£**	£
Personnel				
Salaries (excluding pensions)	**2,748,343**	2,686,577	**2,731,038**	2,669,729
Pension contributions	**440,108**	420,745	**440,108**	420,745
Other staff costs	**111,899**	89,124	**111,899**	89,124
	3,300,350	3,196,446	**3,283,045**	3,179,598
Non cash pension costs	**726,000**	361,000	**726,000**	361,000
	4,026,350	3,557,446	**4,009,045**	3,540,598
Establishment				
Property costs	**407,360**	422,706	**364,883**	363,131
Telephone	**24,491**	27,462	**24,491**	27,462
Depreciation	**87,956**	189,096	**87,956**	189,096
	519,807	639,264	**477,330**	579,689
Administration				
Administration overheads	**106,839**	94,120	**106,839**	94,120
Computer costs	**221,536**	219,240	**221,536**	219,240
Professional fees	**148,476**	92,742	**141,061**	78,529
Project costs	**28,368**	14,774	**28,368**	14,774
General expenses	**119,286**	91,830	**117,183**	90,548
Repairs	**-**	5,280	**-**	5,280
Marketing	**247,201**	76,286	**247,201**	76,286
Credit Agency	**48,839**	61,209	**48,839**	61,209
	920,545	655,481	**911,027**	639,986
Total management expenses	**5,466,702**	4,852,191	**5,397,402**	4,760,273
Valuation fees	**265,780**	314,362	**265,780**	314,362
Bad Debt Written off	**(90,405)**	43,106	**(90,405)**	43,106
Total operating costs	**5,642,077**	5,209,659	**5,572,777**	5,117,741

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

6 Operating surplus

	Group		Co-Ownership	
	2022	2021	**2022**	2021
	£	£	**£**	£
Operating surplus is stated after charging:				
Staff costs, excluding pension (note 7)	**2,748,343**	2,686,577	**2,731,038**	2,669,729
Pension (note 7) – contributions	**440,108**	420,745	**440,108**	420,745
– other pension costs	**726,000**	361,000	**726,000**	361,000
Depreciation of tangible fixed assets				
– owned assets (note 17)	**87,955**	189,696	**87,955**	189,696
Operating lease rentals	**231,631**	229,637	**231,631**	229,637
Fees payable to the group's auditor for the audit of the financial statements	**39,000**	23,050	**36,000**	20,700
Fees payable to the group's auditor for non-audit services	**2,950**	1,750	**-**	-

7 Employee information

	Group		Co-Ownership Housing	
	2022	2021	**2022**	2021
	£	£	**£**	£
Staff costs				
Wages and salaries	**2,497,624**	2,448,790	**2,480,319**	2,431,942
Social security costs	**250,719**	237,787	**250,719**	237,787
	2,748,343	2,686,577	**2,731,038**	2,669,729
Pension contributions	**440,108**	420,745	**440,108**	420,745
	3,188,451	3,107,322	**3,171,146**	3,090,474
Other pension costs	**726,000**	361,000	**726,000**	361,000
	3,914,451	3,468,322	**3,897,146**	3,451,474

	2022 Number	2021 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	**61**	60
- Temporary	**2**	3
Administration and finance	**63**	63

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

8 Key managements' 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	
	2022	2021	**2022**	2021
	£	£	**£**	£
Aggregate emoluments	**348,564**	342,910	**348,564**	342,910
Pension contributions to money purchase schemes	**62,370**	61,299	**62,370**	61,299
	410,934	404,209	**410,934**	404,209

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	
	2022	2021	**2022**	2021
	£	£	**£**	£
Aggregate emoluments	**114,577**	112,701	**114,577**	112,701
Pension contributions	**20,590**	20,237	**20,590**	20,237
	135,167	132,938	**135,167**	132,938

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

	2022 Number	2021 Number
More than £70,000 but not more than £75,000	**1**	**1**
More than £75,000 but not more than £80,000	**-**	**2**
More than £80,000 but not more than £85,000	**2**	**-**
More than £100,000 but not more than £105,000	**-**	**-**
More than £105,000 but not more than £110,000	**-**	**-**
More than £110,000 but not more than £115,000	**1**	**1**

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

9 Surplus on sale of housing properties

	Group		**Co-Ownership**	
	2022	2021	**2022**	2021
	£	£	**£**	£
Sales - first tranche sales	**44,776,763**	27,876,518	**43,136,763**	25,120,068
Cost of sales - first tranche sales	**(39,296,848)**	(25,846,728)	**(37,773,249)**	(23,131,806)
	5,479,915	2,029,790	**5,363,514**	1,988,262
(Loss)/gain on disposal of housing properties – second tranche and after	**(142,242)**	35,268	**(142,242)**	35,268
Release of provision for impairment of housing properties (note 14)	**1,200,000**	400,000	**1,200,000**	400,000
	6,537,673	2,465,058	**6,421,272**	2,423,530

Comprising:

	£	£	**£**	£
Repossession of properties	**(851,594)**	(617,110)	**(851,594)**	(617,110)
Surplus on Disposal	**6,189,267**	2,682,168	**6,072,866**	2,640,640
Release of impairment of housing properties	**1,200,000**	400,000	**1,200,000**	400,000
	6,537,673	2.465,058	**6,421,272**	2,423,530

As at 31 March 2022, there were 16 (2021: 15) properties remaining in repossession status.

10 Interest receivable and similar income

	Group		Co-Ownership	
	2022	2021	**2022**	2021
	£	£	**£**	£
Interest receivable	**50,292**	39,262	**49,372**	38,571

11 Interest payable and similar charges

	Group		Co-Ownership	
	2022	2021	**2022**	2021
Group	**£**	£	**£**	£
Interest payable	**1,362,583**	983,604	**1,362,583**	983,604

12 Other finance expenses

	2022	2021
Group and Co-Ownership	**£**	£
Interest on pension scheme	**172,000**	121,000
	172,000	121,000

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

13 Taxation on profit on ordinary activities

	Group		Co-Ownership	
	2022	2021	**2022**	2021
	£	£	**£**	£
UK corporation tax charge on profit for the year	**38,759**	24,598	**-**	-
Total current tax	**38,759**	24,598	**-**	-

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is the lower than as (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022	2021
	£	£
Surplus on ordinary activities before taxation	**13,211,679**	9,226,250
Surplus on ordinary activities by rate of tax	**2,510,219**	1,752,988
Charitable income not chargeable to tax	**(2,465,882)**	(1,724,974)
Adjustment to tax in respect of previous periods	**(5,578)**	(3,416)
Tax on profit	**38,759**	24,598

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 2021	1,063,286,917	604,091,158	459,195,759
Transfers of completed schemes and additions in the year	156,294,975	93,201,972	63,093,003
Disposals	(85,386,317)	(46,048,756)	(39,337,561)
Transferred to stock	(8,201,338)	(4,993,025)	(3,208,313)
At 31 March 2022	**1,125,994,237**	**646,251,349**	**479,742,888**
Impairment			
At 1 April 2021			(6,600,000)
Released in the year			1,200,000
At 31 March 2022			**(5,400,000)**
Uncompleted schemes and additions			
Balance at 1 April 2021			2,343,672
Additions			62,024,381
Transfers			(63,093,004)
At 31 March 2022			**1,275,049**
At 31 March 2022			**475,617,937**
At 31 March 2021			454,939,431

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

14 Housing properties (continued)

Co-Ownership	Cost £	Participants' net Investment £	Co-Ownership Investment £
At 1 April 2021	1,059,075,824	604,091,158	454,984,666
Transfers of completed schemes and additions in the year less decrease in accrual	154,704,186	93,201,972	61,502,214
Disposals	(83,878,878)	(46,048,756)	(37,830,122)
Transferred to stock	(8,201,338)	(4,993,025)	(3,208,313)
At 31 March 2022	**1,121,699,794**	**646,251,349**	**475,448,445**
Impairment			
At 1 April 2021			(6,600,000)
Released in the year			1,200,000
At 31 March 2022			**(5,400,000)**
Uncompleted schemes and additions			
Balance at 1 April 2021			2,343,671
Additions			60,433,591
Transfers			(61,502,214)
As at 31 March 2022			**1,275,048**
At 31 March 2022			**471,323,493**
At 31 March 2021			450,728,337

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 £14,507,945 of which £5,605,274 represents Co-Ownership's investment (2021: £28,749,085 and £10,693,521 respectively). In addition, negotiations are in progress for the purchase of existing property at a total cost of £19,266,600 of which £7,974,445 represents Co-Ownership's investment (2021: £38,515,700 and £15,010,885 respectively).

15 Housing Association Grant

Group and Co-Ownership	**2022** **£**	2021 £
At 1 April	**212,190,877**	205,328,459
Receivable in the year	**10,150**	20,939,626
Repayable - on disposal	**(21,017,197)**	(14,077,208)
At 31 March (note 22)	**191,183,830**	212,190,877

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

16 Investments - Co-Ownership

	2022	2021
	Subsidiary Undertaking £	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 2021	157,187	695,906	853,093
Additions	600	39,894	40,494
Disposals	-	(330,858)	(330,858)
At 31 March 2022	**157,787**	**404,942**	**562,729**
Accumulated depreciation			
At 1 April 2021	15,719	578,475	594,194
Charge for the year	15,719	72,236	87,955
Disposals	-	(330,858)	(330,858)
At 31 March 2022	**31,438**	**319,853**	**351,291**
Net book amount			
At 31 March 2022	**126,349**	**85,089**	**211,438**
At 31 March 2021	141,468	117,431	258,899

18 Stock

	2022	2021
Group and Co-Ownership	**£**	£
Stock	**3,315,313**	3,340,795

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 2022

19 Debtors

Amounts falling due within one year	Group		Co-Ownership	
	2022	2021	**2022**	2021
	£	£	**£**	£
Rent debtors	**349,739**	489,072	**329,383**	464,419
Less: bad debts provision	**(196,338)**	(314,359)	**(196,338)**	(314,359)
	153,401	174,713	**133,045**	150,060
HAG receivable - completed properties	**-**	103,310	**-**	103,310
Prepayments and accrued income	**132,040**	125,952	**127,941**	123,075
	285,441	403,975	**260,986**	376,445

20 Investments

	Group		Co-Ownership	
	2022	2021	**2022**	2021
	£	£	**£**	£
Short term deposits	**26,657,589**	15,012,318	**20,058,915**	15,012,318

21 Creditors: amounts falling due within one year

	Group		Co-Ownership	
	2022	2021	**2022**	2021
	£	£	**£**	£
HAG repayable - on disposal	**9,738,070**	8,509,870	**9,738,070**	8,509,870
Participants’ deposits	**156,461**	190,658	**1,099**	13,699
Other creditors	**621,927**	822,375	**621,927**	822,375
DfC Loans (Note 23)	**3,750,000**	2,500,000	**3,750,000**	2,500,000
Corporation Tax	**38,759**	24,599	**-**	-
Accruals and deferred income	**1,178,415**	572,011	**1,163,746**	561,689
	15,483,632	12,619,513	**15,274,842**	12,407,633

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

22 Creditors: amounts falling due after more than one year

	Group		Co-Ownership	
	2022	2021	**2022**	2021
	£	£	**£**	£
Bank loan (note 23)	**30,000,000**	43,000,000	**30,000,000**	43,000,000
DfC loans (note 23)	**188,500,000**	148,000,000	**176,000,000**	135,500,000
Housing Association Grant (note 15)	**191,183,830**	212,190,877	**191,183,830**	212,190,877
	409,683,830	403,190,877	**397,183,830**	390,690,877

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	
	2022	2021	**2022**	2021
	£	£	**£**	£
Bank loans and overdrafts	**30,000,000**	43,000,000	**30,000,000**	43,000,000
Maturity of financial liabilities:				
In more than one year, but not more than five years	**-**	43,000,000	**-**	43,000,000
Greater than five years	**30,000,000**	-	**30,000,000**	-

	Group		Co-Ownership	
	2022	2021	**2022**	2021
	£	£	**£**	£
Department for Communities loans	**192,250,000**	150,500,000	**179,750,000**	138,000,000
Maturity of financial liabilities:				
Due within one year	**3,750,000**	2,500,000	**3,750,000**	2,500,000
In more than one year, but not more than five years	**27,171,875**	21,203,125	**27,171,875**	21,203,125
Greater than five years	**161,328,125**	126,796,875	**148,828,125**	114,296,875
	192,250,000	150,500,000	**179,750,000**	138,000,000

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 2022 the Group had an undrawn revolving loan facility of £35m.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

24 Pension commitments

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

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

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

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

Group and Co-Ownership	**2022**	2021	2020
Rate of increase in salaries	**4.50%**	4.20%	3.40%
Rate of increase in pensions in payment	**3.00%**	2.70%	1.90%
Discount rate	**2.70%**	2.10%	2.30%
Inflation assumption	**3.00%**	2.70%	1.90%

The mortality assumptions used were as follows:

Group and Co-Ownership	**2022 Years**	2021 Years	2020 Years
Longevity at age 65 for current pensioners:			
- Men	**21.8**	21.9	21.8
- Women	**25.0**	25.1	25.0
Longevity at age 45 for future pensioners:			
- Men	**23.2**	23.3	23.2
- Women	**26.4**	26.5	26.4

The assets in the scheme and the expected rate of return were:

Group and Co-Ownership	**Value at 31 March 2022 £'000**	Value at 31 March 2021 £'000
Equities	**9,349**	9,318
Property	**2,179**	1,791
Bonds	**5,862**	7,185
Asset Credit	**2,855**	-
Cash	**872**	1,067
Other	**676**	765
Total market value of assets	**21,793**	20,126
Present value of scheme liabilities	**(27,705)**	(28,493)
Net pension deficit	**(5,912)**	(8,367)

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

24 Pension commitments (continued)

Reconciliation of present value of scheme liabilities

Group and Co-Ownership	**2022** **£'000**	2021 £'000
At 1 April	**28,493**	21,832
Current service cost	**1,158**	783
Interest cost	**596**	499
Member contributions	**158**	152
Actuarial (gains)/ losses	**(2,267)**	5,642
Past service cost	**-**	-
Curtailment cost	**-**	16
Benefits paid	**(433)**	(431)
At 31 March	**27,705**	28,493

Reconciliation of fair value of scheme assets

Group and Co-Ownership	**2022** **£'000**	2021 £'000
At 1 April	**20,126**	16,361
Interest income on assets	**424**	378
Member contributions	**158**	152
Employer contributions	**432**	438
Actuarial gains	**1,086**	3,228
Benefits paid	**(433)**	(431)
At 31 March	**21,793**	20,126

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

Group and Co-Ownership	**2022** **£'000**	2021 £'000
Current service cost	**1,074**	783
Curtailment cost	**-**	16
Interest on net defined benefit liabilities	**154**	121
Total cost	**1,228**	920

Amounts for current and previous four years:

Group and Co-Ownership	**2022** **£'000**	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Fair value of employer assets	**21,793**	20,126	16,361	12,307	11,310
Present value of defined benefit obligation	**(27,705)**	(28,493)	(21,832)	(16,194)	(15,105)
Deficit	**(5,912)**	(8,367)	(5,471)	(3,887)	(3,795)

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

24 Pension commitments (continued)

Total amount recognised in the statement of changes in reserves

Group and Co-Ownership	**2022 £'000**	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Actuarial surplus/(deficit)	**3,353**	(2,414)	(905)	261	(41)

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	**2022 £**	2021 £
Allotted, issued and fully paid	**34**	58

During the year 24 shares have been cancelled.

26 Revenue reserves

	Group		**Co-Ownership**	
	2022 £	2021 £	**2022 £**	2021 £
Opening reserves	**2,668,848**	2,644,826	**2,546,000**	2,474,761
Net transfer from designated reserves (note 27)	**359,241**	24,022	**170,000**	71,239
Closing reserves	**3,028,089**	2,668,848	**2,716,000**	2,546,000

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

27 Designated reserves

Property purchase reserve

Group	**2022 £**	2021 £
At 1 April	**100,143,549**	93,379,919
Surplus for the year	**16,525,920**	6,787,652
Transfer to revenue reserve (note 26)	**(359,241)**	(24,022)
At 31 March	**116,310,228**	100,143,549

Co-Ownership	**2022 £**	2021 £
At 1 April	**99,954,308**	93,360,744
Surplus for the year	**16,331,326**	6,664,803
Transfer to revenue reserve (note 26)	**(170,000)**	(71,239)
At 31 March	**116,115,634**	99,954,308

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

28 Financial Instruments

	Group		Co-Ownership	
	2022	2021	**2022**	2021
	£	£	**£**	£
Financial assets that are debt instruments measured at amortised cost				
Rental debtor (note 19)	**153,401**	174,713	**133,045**	150,060
HAG receivable (note 19)	**-**	103,310	**-**	103,310
Short term deposits (note 20)	**26,657,589**	15,012,318	**20,058,915**	15,012,318
Cash at bank and in hand	**44,330,095**	53,034,427	**41,732,194**	43,949,081
	71,141,085	68,324,768	**61,924,154**	59,214,769
Financial liabilities measured at amortised cost				
DfC loans (note 21 and 23)	**192,250,000**	150,500,000	**179,750,000**	138,000,000
Bank loans (note 23)	**30,000,000**	43,000,000	**30,000,000**	43,000,000
Participants' deposits (note 21)	**156,461**	190,658	**1,099**	13,699
Accruals (note 21)	**1,178,415**	572,011	**1,163,746**	561,689
	223,584,876	194,262,669	**210,914,845**	181,575,388

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

	2022	2021
	£	£
Surplus in the financial year	**13,172,920**	9,201,651
Taxation	**38,759**	24,599
Gain/(loss) on disposal of housing properties – second tranche and after	**142,242**	(35,268)
Interest receivable and similar income	**(50,292)**	(39,262)
Interest payable and similar charges	**1,362,583**	983,604
Other finance expenses	**172,000**	121,000
Operating surplus	**14,838,212**	10,256,324
Surplus on sale of housing properties	**(6,331,509)**	(2,646,901)
Repossession of properties	**851,594**	617,110
Release of impairment of housing properties	**(1,200,000)**	(400,000)
Depreciation	**87,956**	189,096
Movement in debtors	**15,217**	22,524
Movement in creditors	**(57,532)**	249,969
Difference between pension charges and cash contributions	**726,000**	361,000
Share Capital Cancelled	**(24)**	-
Cash inflow from operating activities	**8,929,914**	8,649,122

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

30 Analysis of consolidated net funds

	1 April 2021 £	Cashflow £	Other non cash movements £	**31 March 2022 £**
Cash at bank and in hand	53,034,427	(8,704,332)	-	**44,330,095**
Short term deposits (note 20)	15,012,318	11,645,271	-	**26,657,589**
Debt due within one year (note 21)	(2,500,000)	2,500,000	(3,750,000)	**(3,750,000)**
Debt due after one year (note 22)	(191,000,000)	(31,250,000)	3,750,000	**(218,500,000)**
Net funds	(125,453,255)	(25,809,061)	-	**(151,262,316)**

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 2022 £	Other 2021 £	**Land and buildings 2022 £**	Land and buildings 2021 £
Within one year	**6,394**	6,394	**223,243**	223,243
Within two to five years	**-**	6,394	**892,973**	892,973
After five years	**-**	-	**669,730**	892,973

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 FRS 102 as it is a wholly owned subsidiary of Northern Ireland Co-ownership Housing Association.

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

	2022 £	2021 £
Amounts owed from related party at 1 April	**-**	-
Management and administration charge to Ownco Homes	17,305	16,848
Receipts from Ownco Homes	(17,305)	(16,848)
Amounts owed from related party at 31 March	**-**	-

co-
owner
ship.
org

Moneda House
25-27 Wellington Place
Belfast, BT1 6GD

Call 028 9032 7276
Textphone 18001 028 9032 7276
hello@co-ownership.org