



**Registered No. IP000306**

**Charity Registration No. NIC 104547**

**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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**BOARD OF MANAGEMENT & ADVISORS**

**Board of Management**

Dr Deborah Donnelly (Chair)  
Mr Ian McAvoy (Vice-Chair)  
Mr Seamus Mullan (Treasurer) (Resigned 22 June 2020)  
Ms Nicole Mulholland  
Ms Deborah Reynolds  
Mr Tom Doran  
Ms Joanne Carson (Resigned 8 June 2020)  
Ms Sarah Corrigan  
Ms Sara McClintock  
Mr Kevin McElroy  
Ms Nicole Toner (Resigned 22 March 2021)  
Ms Denise Burns (Appointed 20 August 2020)  
Ms Catherine Blackburne (Appointed 20 August 2020)  
Mr Ward Erwin (Appointed 20 August 2020)

**Chief Executive & Company Secretary**

Mr James P McShane

**Registered Office**

Unit 1, Hawthorn Office Park  
43 Stockmans Way  
Belfast  
BT9 7ET

Registered under the Co-Operative and Community Benefit Societies Act(Northern Ireland) 1969 No IP00306  
Registered with the Department for Communities (NI) R50  
Registered with the Charity Commission for Northern Ireland NIC104546

**Solicitors**

Edwards & Co  
28 Hill Street  
Belfast  
BT1 3LR

**Independent Auditors**

GMCG Belfast  
19 Alfred Street  
Belfast  
BT2 8EQ

**Bankers (Primary)**

Bank of Ireland	Danske Bank
31 University Road	Donegall Square West
Belfast	Belfast
BT7 1NA	BT1 6JS

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**REPORT OF THE BOARD OF MANAGEMENT**

The Board of Management presents their strategic report and the audited financial statements for the year ended 31 March 2021 for Ark Housing Association Northern Ireland Limited (the “Association”).

**Principle Activities**

The Association is a non-profit making Housing Association providing a range of social housing and support services across Northern Ireland for those in need. Our principal activities include:

- Developing new build social housing in response to identified need;
- Providing housing management and tenancy support services;
- Undertaking response, cyclical and planned maintenance works;
- Assisting people to stay in their own homes through home adaptation services;
- Providing temporary accommodation and support services to homeless families;
- Providing a Floating Support Service to the wider community
- Partnering others in the delivery of specialist housing & support provision.

**Vision, Mission and Values**

Our vision is ‘*Making a positive difference by empowering people and communities*’ and its mission is ‘*In partnership, provide quality homes and support services to meet housing need and contribute to the well-being of communities*’.

Our core values, which have the acronym **PRIDE**, are:

- |                      |   |
|----------------------|---|
| Progressive          | – <i>Forward thinking, supporting change and transformational</i>             |
| Respect              | - <i>Treat everyone with dignity &amp; esteem</i>                             |
| Integrity            | - <i>Maintain the highest professional and personal standards</i>             |
| Diversity & Equality | - <i>Value diversity and equality in everything we do</i>                     |
| Excellence           | - <i>Strive to deliver the highest standards of quality and customer care</i> |

We currently own 537 homes across a wide geographical area providing housing and associated services across a diverse spectrum including:

- General needs homes;
- Mobility and wheelchair bungalows;
- Sheltered Housing;
- Temporary Accommodation;
- Specialist homes for those living with mild to moderate dementia, learning difficulties and mental ill-health.

**Corporate Governance**

In the opinion of the Board, the Association is compliant with the Best Practice issued by the NHF Code of Governance.

**Board of Management**

The Association is governed by a voluntary Board, which during the year, consisted of 14 persons with a wide range of skills and experience. The gender balance of the Board during 2020/2021 was 64% female, 36% male.

The work of the Board was supported by its committees which include the Audit, Compliance and Risk committee, the Investment committee, the Governance committee and the Remuneration committee.

<b>Board/Committees</b>	<b>Number of Meetings during 2020/21</b>
Board	6
Audit and Risk Committee	5
Investment Committee	4
Governance Committee	3
Remuneration Committee	1

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**REPORT OF THE BOARD OF MANAGEMENT (CONT'D)**

**Going Concern**

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

**Internal Financial Control**

The Board is responsible for the Association's system of financial control and along with Senior Management is responsible for establishing and operating detailed control and reporting procedures. The systems of internal financial control can only provide reasonable, and not absolute, assurance against material misstatement and loss.

The Board has reviewed the effectiveness of the Association's system of financial control. The review included consideration of the business risks facing the Association and of the existing internal financial control procedures. The key elements of the control system in operation are:

- The Board has adopted a formal schedule of matters reserved for its approval ensuring it maintains responsibility for overall strategy, approval of all property transactions and other major capital expenditure projects.
- There is an organisational structure with clearly defined lines of responsibility and delegation of authority.
- Detailed budgets are prepared covering the Association's business, which are reviewed and approved by the Board. In the monthly management accounts, the actual results are compared against budget and appropriate action identified and initiated.
- The Board reviews matters relating to internal control and receives reports on a regular basis from the external and internal auditors and from Senior Management.
- The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing, and is regularly reviewed by the Board.

**Board Responsibilities**

The Co-operative and Community Benefit Societies Act and registered housing association legislation require the members of the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of the Association'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 the Association will continue to operate.

The members of the Board of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. They have general responsibility for the taking of reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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**REPORT OF THE BOARD OF MANAGEMENT (CONT'D)**

**Statement of Disclosure of Information to Auditors**

So far as each of the members of the Board is aware:

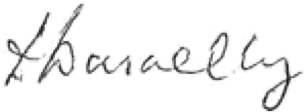
- There is no relevant information of which the Association's auditors are unaware
- They have taken all reasonable steps that they ought to have taken, as members of the Board, to make themselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

**Auditors**

A resolution to appoint GMcG Group Limited was proposed and agreed at the Annual General Meeting on 22 June 2020.

GMcG Group Limited have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



Dr Deborah Donnelly  
**Chair of the Board of Management**

Belfast  
28 June 2021

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**STRATEGIC REPORT OF THE BOARD OF MANAGEMENT**

**Business Overview**

The financial year 2020-21 marked the second year of our ambitious five-year plan to achieve 1,000 units of accommodation under management by March 2024.

By 31<sup>st</sup> March 2021 we had plans to achieve 200 new build starts in-year and we achieved 232 starts, of which there were 59 completions. At March 2021, the Association had 284 units progressing on site including schemes on site from previous years.

In respect to regulation, we were extremely pleased to receive the NI social housing regulator, (the Department for Communities) assessment of our business as “1” (the highest possible rating) across all core regulatory areas, including Governance, Finance and Consumer Standards.

The Board’s revised policy and framework for managing risks has ensured a continuous review of the risks affecting our business and we have been proactive in monitoring and acting in mitigating those risks.

Our risk register not only considers risks that are unique to Ark Housing but also those risks that affect the wider housing sector due to economic, policy and political influences. Each risk is continually assessed in respect of the likelihood of something happening and the impact it would have on our business if it did happen, as well as the action taken to mitigate those risks.

The Board are committed to embedding risk management throughout the organisation and its systems and controls are designed to ensure that any exposure to significant risk is properly managed. We have recently invested in the Decisiontime Risks Module which will enable the Association to manage risks in real time. It is a software product that is strongly embedded in the housing sector and should meet our existing and future needs around the management of risk and strategic objectives.

Risks identified and monitored throughout 2020/2021 include:

- Staff health and wellbeing from transmission of COVID19
- Safeguarding Residents and Service Users
- The UK-EU Trade Agreement
- Business Continuity
- Financial Viability including Interest Rate Risk
- NI Water infrastructure capacity

The Association has also developed a Risk Assurance map, to provide a visual representation of assurance activities that apply to each specific set of risks or compliance requirements, that the organisation faces.

We completed internal audits throughout the year to provide further assurances on our internal systems, processes and controls and these included an assessment of the Association’s compliance with the Budget Planning process, Arrears Management and the Void and Allocations process. All internal audit reports returned satisfactory outcomes across those business areas examined and we were pleased to receive a satisfactory annual assurance report from our internal auditors in respect to the same.

**Financial Performance**

Our turnover for the year increased to almost £3.9m compared to almost £3.4m in 2019/20. The total movement in equity for the year was £80k compared to £64k in 2019/20. The movement was however greatly reduced by a transfer of £572k to the pension liability. Our surplus is used to fund loan capital repayments and to fund our long-term home improvement plans. Our budget has been well managed, and the performance this year was strong, meeting budget expectations. We achieved a gross margin of 42% and a net margin of 24%. However, we have recognised in our long-term financial business plan that greater surpluses are required in future years to ensure we achieve our long-term objectives, which include an ambitious growth strategy and long-term asset management strategy.

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**STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)**

We have a strong Balance Sheet with property fixed assets increasing by almost £15m from the 2019/20 financial year to £60m at March 2021. This increase is due to our investment in new homes and expenditure in major improvements to our existing homes.

The liquidity position of the Association is closely monitored in line with our Treasury policy, to ensure the availability of cash to meet its short-term liabilities. The ratio of current assets to current liabilities (not including short term HAG) of 2:1 is a strong current ratio.

Our bank loan balances increased by £3m during the year due to drawdowns from our Revolving Credit Facility (RCF). We secured a RCF of £12m during the 2019/20 financial year on very favourable terms and have recently negotiated a further £6m that will be added to the £12m to give a RCF of £18m on terms, even slightly more favourable than the £12m.

We are also currently negotiating the refinancing of two older fixed rate loans, and although we will incur break fees, the interest savings over the course of the loan will outweigh this cost and will produce substantial savings.

Our gearing ratio of 26% is well within our 40% maximum range and allows capacity for continued growth. However, under the terms of the new RCF currently being negotiated the maximum gearing will move to 50%, thus allowing even more head room, if required in future years.

Loan Interest is one of our largest areas of expenditure and therefore even small increases can have significant impact on the Association's overall performance. We manage this risk in line with our Treasury policy by adhering to a mix of fixed and variable rates in order to balance risk whilst benefiting from more favourable variable rates. Our average interest rate is currently 2.9%, which has reduced from 3.8% last year due to a very competitive RCF.

**Safeguarding**

We continue to ensure that the organisation and staff implement practices which promote the welfare of adults and children at risk and safeguards them from harm. In 2020/2021 we undertook a review of our existing safeguarding policies and procedures. We continue to ensure that all new staff are provided with an overview during induction. We have also organised refresher training for all staff in May 2021. The Association's Adult Safeguarding Champion continues to investigate and report safeguarding issues to the Association's Board, Charities Commission and Supporting People. During 2020/2021, the Board fully implemented its Safeguarding reporting obligations.

**Fraud**

The Board are concerned with ensuring that the assets of the Association are protected from the risk of theft, misappropriation, or other such unauthorised disposal, from wherever the source, including through fraudulent actions.

The Association's fraud policy applies to everyone engaged in activities on behalf of the Association, including board members, staff, tenants, members of the public, contractors, agents and others.

This policy sets out the responsibilities of all staff regarding the prevention of fraud and the actions to be taken where a fraud is suspected or detected.

The Association completed the four quarterly DfC Fraud returns for the financial year. The first two quarterly returns were 'NIL' returns. In December, we reported 3 ongoing tenancy fraud investigations and a further one in March 2021. 3 cases are now closed and 1 remains open.

**Value for Money**

We define Value for Money (VFM) as 'obtaining the maximum benefit from our assets'. It is not simply the cheapest way of doing something. It is about finding the best combination between:

- Keeping the cost to a minimum
- Achieving more with our resources to deliver a greater level of service
- Achieving the best outcomes for our tenants



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**STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)**

We are committed to providing the best value for money services for our tenants. Demand for services is always increasing and resources are limited, therefore we constantly review our services and how we manage resources to ensure that we can continue to re-invest savings into meeting our tenants' needs, increasing the number of homes we provide and mitigating risks.

Our strategic approach to achieving VFM is driven by our corporate plan and our other strategies which complement the plan. We continually examine our plans and results across the entire organisation, all of which have the common theme in mind of maximising efficiencies and opportunities to achieve the maximum for our tenants.

**Budgetary Control**

In addition to providing annually a Financial Long-Term Business Plan, we set a detailed annual budget which includes efficiency targets and improvements and acts as a control mechanism for both the Associations' income and expenditure. Performance is measured against budget throughout the financial year through monthly and quarterly Management Accounts.

**Procurement**

The procurement of goods and services is a large expense area and therefore we have robust procurement policy and procedures in place to ensure when awarding supplier contracts, we achieve VFM in every contract. The whole organisation is encouraged to drive value for money improvements, however big or small.

Although, our head office administration costs were on budget for the financial year, it is an area where we are striving to reduce the unit cost, over the longer term, through our growth plans. We have recently reviewed and tendered contracts for hygiene services, photocopiers, printing services, telephone system and mobile contracts to achieve competitive market rates and savings where possible.

Our new head office purchase will provide rental savings and has provided value for money. Although purchased with cash reserves, when comparing rent with what loan repayments would be, there is a significant saving whilst the new office also provides approximately 33% more square area to accommodate the Association's staff growth. The office will possibly provide equity over time, as a long-term asset and remove the uncertainty regarding increased future rent hikes.

Service charges are reviewed annually. The Association constantly strives for competitive contracts to drive service costs downwards. A new Legionella procurement during the financial year should produce savings in 2021/22.

**Our People**

Investing in our people is crucial to achieving VFM. One of our five strategic themes is to be a leading employer and that commitment is reflected throughout our personnel policies.

We are committed to recognising, rewarding, and retaining highly motivated staff, and in May 2020 we undertook a global job evaluation exercise to provide assurance around the levels of salary and benefits associated with each role. We encourage staff engagement and regularly measure staff satisfaction. Staff feedback is instrumental in striving to continually improve workforce performance leading to service improvement and in our most recent staff survey 87% reported that they were satisfied in their employment with 86% proud to work for us. We also invested £11k in staff training and development.

Despite the COVID19 pandemic which led to the majority of our staff remote working throughout the year, we undertook a range of initiatives to promote good relations across the Association and share business and operational success. Although we were unable to have our usual team building day in September, we substituted with zoom coffee mornings and a zoom evening quiz and had our usual half day staff conference in December via zoom. We continually ensure that we meet our equality statutory requirements under section 75 of the Northern Ireland Act.

During the year we employed an average of 43 people. The gender balance was 70% female, 30% male and the Senior Executive Team comprised of 75% female, 25% male. Staff retention for the year was 95% at year end and despite COVID19, sickness absence levels were measured at an average 4.75%.

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**STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)**

**Growth & Investment - Development**

Setting our challenging and ambitious growth strategy to reach 1,000 units by 2024 drives a very clear and strong VFM message. The enhanced income combined with economies of scale cost savings in administration costs will generate cash to assist with our long-term capacity for growth.

Our growth strategy also underpins our corporate objective to provide quality social housing and to contribute to the Department for Communities (DfC) social housing development targets. We obtain value from our properties, by not just using them as homes, but as assets to provide security to raise further capital for future investment.

The association delivered 59 newly completed homes at March 2021 against a target of 86, with the variance due to complete early in the 2021/22 financial year.

In respect to new build starts, we achieved a record 232 at March 2021, giving a tremendous boost to our strategic growth plan and demonstrating our determination to making a strong contribution to the Social Housing Development Plan.

We invested £15m on new properties and component replacements during 2020/21 against £6m in 2019/20. This equates to a Property Fixed Asset growth of 32% and a property unit growth of 12%, which is double the 6% unit growth achieved during 2019/20.

We expect to complete 135 additional units in the 2021/22 financial year, with a further estimate of 150 units being progressed in various stages of development by year end.

In funding our development programme, we have secured a further £6m RCF to be added to our £12m secured in 2019/20 and we have indicative terms for a £15m RCF which we will seek to put in place before the end of the 2021/22 financial year.

**Growth & Investment – Planned Maintenance**

An annual budget is agreed for major upgrades to our stock in accordance with our asset management strategy and stock condition surveys. We recognize that it is more cost effective to invest in maintaining our properties through a comprehensive planned component replacement programme, which will not only give our properties a longer life but will over the long-term produce savings in routine maintenance spend.

This year we invested £333k in planned and component replacements, which included the entire refurbishment of 2 sheltered units.

We also undertook several home adaptations to enable our residents to live safely and more independently within their homes as their physical needs change. During the year we completed 14 home adaptations at a cost of £17.4k.

**Health & Safety**

We demonstrated compliance in Health & Safety through our Cyclical Servicing Compliance Monitor. Performance was presented quarterly to the Investment Committee and Board in relation to gas servicing, fire protection, lift, legionella testing and other areas. 100% of gas servicing was completed on time, with 100% of all other servicing completed in year with the exception of fixed wire testing which experienced some delays as a result of COVID19.

**Achieving Affordable Rents & Maximising Rental Income**

We aim to set rents that are affordable for our tenants however it is equally vital that rents are set at an adequate level to cover the costs of maintaining our properties to a high standard and to service debt. During the 2020/21 financial year we applied a rent increase of 2.9%.

The overall average rent for a self-contained property during 2020/21 was £88.89, compared to the 2019/20 financial year which was £83.29. The variance, which is greater than the applied rent increase of 2.9% is due to much of the older stock being one bed sheltered and supported accommodation, whereas the newer growth is larger general needs properties.

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**STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)**

We operate in an increasingly challenging financial environment, and so minimising our rental losses through effective arrears management is also vital. Without a reliable income stream, service delivery may be jeopardised, loan commitments may not be met, thus making further funding more difficult and there will be a detrimental effect to the Association's reputation.

Thus, we have a robust arrears management policy and procedural action plans in place to promote a 'rent payment culture.' We aim to address losses from arrears and to recover debt as cost effectively as possible. There is continual reporting and monitoring in the monthly finance report and KPI framework to ensure timely reaction to growing arrears. We provide advice and assistance to tenants, promote money advice services and debt reduction strategies and intervene early to avoid unmanageable debts building up.

The total amount of arrears for the 2020/2021 financial year was 7.5% which was above our KPI target of 4%. Of these, 5.1% were attributed to current tenants and 2.4% former tenants. Of the current tenants, 4.7% was identified as technical arrears, meaning those arrears would be payable in time by statutory agencies and the Net current rent arrears (ie non-technical which are paid directly by tenants) equated to 0.4% at year end.

The Association has been taking measures to ensure that rent arrears are effectively managed, by ensuring early intervention and continual engagement with tenants and statutory agencies.

The turnover of housing stock is an integral part of social housing provision that inevitably results in periods where properties are void. Good void management has a huge economic and social benefit in maximising rental income and meeting housing need. We continually report and review losses from void properties both in our finance reporting and our KPI framework and constantly aim to reduce void periods in our properties.

Our rental loss through voids was 4% against a budget of 2.6%. The number of permanent social housing allocations made during the year was 106 (including new let and re lets) and the net average time to re-let a void property was 19 working days which continues to meet our KPI target.

**Housing Services and Engaged Communities**

We continually monitor the quality of services delivered to our tenants. Our repairs service is paramount to achieving high levels of tenant satisfaction and VFM and during the year we completed a total of 2,419 repairs with 2,225 (92%) of those being completed within our published timescales.

Our year end repair response times are further broken down below categorised by urgency group:

<b>Urgency Indicator</b>	<b>% response time</b>
Immediate	91%
Emergency	86%
Urgent	86%
Routine	86%

Our tenants have a right to feel safe and live in peace in their community, and therefore we adopt a robust approach to tackling instances of Anti-Social Behaviour. During the year 90% of all Anti-Social Behaviour cases that had been closed had been successfully resolved and our staff continue to tackle ongoing cases in line with policies and procedures. When surveyed, 92% of our tenants reported that ASB was not an issue in their area.

Meaningful tenant participation is also extremely important to us and although COVID19 had an impact on us meeting with our tenants face to face, we continued to ensure that we engaged with our tenants whilst ensuring that we met government guidelines. During 2020/2021 we facilitated 12 community and social engagement activities across our stock with a reported 34% of all tenants participating in at least one or more of those activities. In addition to this, we carried out 5 consultation events in relation to our new floating support service and tenant satisfaction. We also facilitated 3 Tenant Forum meetings and met with our residents' groups outdoors on 4 occasions.

Due to the impact of COVID19, the welfare of our tenants and service users was a key focus for us. During 2020/2021 we completed a total of 17,018 welfare calls to our general needs, sheltered and homeless services

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**STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)**

tenants/service users. We also worked in partnership with food banks and community groups to provide 1040 food parcels and meals for sheltered tenants and homeless families.

We continually use feedback from tenant surveys and learnings from our complaints procedure to increase levels of satisfaction. In 2020/2021 we also took part in the HouseMark STAR survey where our results were benchmarked alongside Housing Associations of our size in Northern Ireland and across the UK and we were delighted to note that the results indicate that we sit either in the first or second quartile in regard to tenant satisfaction. The results from the survey show that:

- 92% of tenants satisfied with the overall service provided by the Association
- 93% satisfied with the standard of their home
- 90% believe rent to be value for money
- 91% are satisfied with how staff dealt with their queries
- 91% are satisfied with repairs and maintenance

**Complaints**

In 2020/2021 16 formal complaints were received. All complaints were resolved satisfactorily, with 80% being resolved at stage 1 and those moved to stage 2 were all resolved at that stage. One complaint was investigated by the Housing Ombudsman but was not upheld.

**Homeless Services**

On 1<sup>st</sup> March 2021, Ark Housing Association, in partnership with the Housing Executive's Supporting People team, launched our housing related 'Floating Support Service' to families experiencing or threatened with homelessness in the Greater Belfast area.

The new service means a move away from the current accommodation-based model to a floating support model which will provide services across a range of hostel, private lets and single let provision as directed in partnership with the Housing Executive, meaning that housing related support will be delivered to around 160 additional families per annum at no additional cost to the Supporting People Programme.

This new service also aligns with the Department for Communities' Final Report into the Review of Supporting Peoples (November 2015) recommendations to move to more floating support services and the Housing Executive's Homelessness Strategy for NI (2017-2022) and 2020-2023 Strategic Intent and Business Plan, in respect to temporary accommodation and support services for homeless families over the next few years.

**Key Performance Indicators (KPIs)**

We measure key performance throughout all areas of the Association with a range of indicators which are deemed to be the most essential to organisational success and which link directly to our corporate themes.

We use the traffic light system to demonstrate those areas where we are meeting our targets and to alert us to those areas of underperformance that require our attention. Key Performance Indicators are reported quarterly to the Board and Investment Committee so that they can be reviewed and monitored, thus embedding our VFM strategy into our processes. This framework ensures that performance improvement is a priority.

We participate in Housemark benchmarking and compare our results against our peer groups in the sector to provide further context in respect to our performance and to strive for improvement.

Our KPI's link directly to our strategic themes and quarter 4 results, ie March 2021 are set out below:

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**STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)**

**Corporate Theme 1 – Leading Employer**

<b>Corporate Theme 1 - LEADING EMPLOYER</b>					
<b>Key Performance Indicators</b>					<b>Results</b>
<b>Description</b>	<b>Reporting Frequency</b>	<b>Indicator Range</b>			<b>Mar-21</b>
<b>Employee Investment</b>					
Learning & Development Budget % Spent vs Budget	6 Monthly	<75%	75% - 84%	>85%	83%
% Employees Receiving Learning & Development Opportunities	6 Monthly	<90%	90% - 99%	100%	100%
% Staff Receiving Performance Coaching	6 Monthly	<90%	90% - 99%	100%	100%
<b>Performance</b>					
% Employee Retention	Quarterly	<80%	80% - 89%	>90%	95%
% Employee Sickness Absence	Quarterly	>6%	5% - 6%	<5%	2.75%

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**Corporate theme 2 – Better Homes, Greater Diversity**

<b>Corporate Theme 2 - BETTER HOMES, GREATER DIVERSITY</b>					
<b>Key Performance Indicators</b>					<b>Results</b>
<b>Description</b>	<b>Reporting Frequency</b>	<b>Indicator Range</b>			<b>Mar-21</b>
<b>Development &amp; Acquisition</b>					
Number of Units Started	Annually	<160	160 - 199	200	232
Number of Units Completed	Annually	63	64-86	87	59
% of units completed against total stock (growth rate)	Annually	<15%	16% - 19%	>20%	11%
<b>Compliance, Health &amp; Safety</b>					
% schemes with up to date fire alarm servicing	Quarterly	<90%	90% - 99%	100%	100
% applicable properties with up to date gas safety cert	Quarterly	<95%	95% - 99%	100%	100%
% applicable properties with carbon monoxide alarms	Quarterly	100%	95% - 99%	100%	100%
% all properties with up to date heating servicing	Quarterly	<80%	80% - 99%	100%	99%
% schemes with up to date Fire Risk Assessment	Quarterly	<95%	95% - 99%	100%	100%
% schemes with up to date legionella compliance	Quarterly	<95%	95% - 99%	100%	100%
% schemes with quarterly environmental inspection	Quarterly	<95%	95% - 99%	100%	100%
% schemes with up to date lift servicing inspection	Quarterly	<90%	90% - 99%	100%	93%
% properties with up to date 5-year fixed wire testing	Quarterly	<80%	80% - 99%	100%	88%
<b>Planned &amp; Cyclical Maintenance</b>					
% adaptation works orders completed within target	Quarterly	<80%	80% - 99%	100%	100%
% adaptations processed within DfC target timeframe	Quarterly	<80%	80% - 99%	100%	71%
% tenants satisfied with disability adaptation service	6 Monthly	<90%	90% - 94%	>95%	100%
% adaptation grants claimed within target timescale	6 Monthly	<100%	-	100%	100%
% homes meeting lifetime homes standards	Annually	<85%	85% - 89%	90%	42%

**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)**

**Corporate Theme 3 – Engaged Communities, Greater Impact**

<b>Corporate Theme 3 - ENGAGED COMMUNITIES, GREATER IMPACT</b>					
<b>Key Performance Indicators</b>					<b>Results</b>
<b>Description</b>	<b>Reporting Frequency</b>	<b>Indicator Range</b>			<b>Mar-21</b>
<b>Tenant &amp; Community Engagement</b>					
Av % all residents attending scheme & community events	Quarterly	<6%	6% - 9%	>10%	34%
Av % general needs residents attending scheme & community events	Quarterly	<2%	3% - 4%	>5%	18%
Av % sheltered & supported residents attending scheme & community events	Quarterly	<25%	25% - 39%	>40%	60%
Number of Scheme & Community Events Held	Quarterly	<10	11 - 20	>20	12
Number of Scheme Resident Meetings Held	Quarterly	<20	21 - 40	>40	4
Number of Resident Consultation Sessions Held	Quarterly	<2	3	>4	5
Av % of residents signed up to 'Register of Residents'	Annually	<6	6%-9%	>10	17%
Number of formal estate walkabouts completed	Annually	<1	3	>4	0
Number of Training Sessions Delivered	Annually	<2	2 to 3	>4	5
Number of Tenants Attending Training	Annually	<10	10 to 19	20	26
Number of New Residents Groups Established	Annually	0	1	>2	1
Number of Tenant Forum Meetings Held	Quarterly	<4	4 to 5	>6	3
Number of New Residents Champions Appointed	Annually	0	1	>2	0
Number of Residents Group Meetings Held	Quarterly	<2	3	>4	4
Number of Resident Champions Meetings Held	Quarterly	>8	8 to 10	>10	0

**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)**

**Corporate Theme 4 – Service Excellence, Satisfied Customers**

<b>Corporate Theme 4 - SERVICE EXCELLENCE, SATISFIED CUSTOMERS</b>					
<b>Key Performance Indicators</b>					<b>Results</b>
<b>Description</b>	<b>Reporting Frequency</b>	<b>Indicator Range</b>			<b>Mar-21</b>
<b>Repairs Service</b>					
% Emergency repairs completed within target	Quarterly	<76%	76% - 84%	>85%	91%
% Urgent repairs completed within target	Quarterly	<70%	70% - 79%	>80%	87%
% Routine repairs completed within target	Quarterly	<70%	70% - 79%	>80%	91%
% All response maintenance within target	Quarterly	<70%	70% - 79%	>80%	92%
<b>Allocations &amp; Lettings Performance</b>					
Average Occupancy Rate (Total Stock)	Quarterly	<94%	94% - 95%	>96%	98%
Total Void Units (Snapshot)	Quarterly	>5%	4% - 5%	<4%	3%
Average Allocation Re-Let Time	Quarterly	>25 days	21 - 25 days	<20 days	19.00
% Re-lets within target time	Quarterly	<70%	70% - 79%	>80%	95%
% Lettings made to applicants	Quarterly	55% - 85%			81%
% Lettings made to transfers	Quarterly	15% - 45%			19%
% Fraud Cases Identified / Total Stock	Quarterly	>2%	1% - 2%	<1%	0.55%
<b>Tenant Satisfaction</b>					
% Tenants satisfied overall with services provided	Annually	<70%	70% - 79%	>80%	92%
% tenants satisfied with quality of home	Annually	<70%	70% - 79%	>80%	93%
% tenants satisfied with rent value for money	Annually	<70%	70% - 79%	>80%	90%
% tenants satisfied with service charge vfm	Annually	<70%	70% - 79%	>80%	90%
% tenants reporting ASB not a problem in their area	Annually	<70%	70% - 79%	>80%	92%
% tenants satisfied with how staff dealt with them	Annually	<70%	70% - 79%	>80%	91%
% tenants satisfied with repairs & maint service	Annually	<70%	70% - 79%	>80%	91%
% tenants satisfied that their landlord listens and acts on their views	Annually	<70%	70% - 79%	>80%	91%
<b>Complaints &amp; Anti-Social Behaviour</b>					
Number of formal complaints received	Quarterly	>15	11 - 14	<10	4
% complaints resolved satisfactorily at stage 1	Quarterly	<75%	75% - 89%	>90%	80%
% complaints resolved satisfactorily at stage 2	Quarterly	<75%	75% - 89%	>90%	100%
% ASB cases successfully resolved	Quarterly	<75%	75% - 89%	>90%	90%
% complaints referred to Ombudsman	Quarterly	>20%	>10%	<10%	n/a
<b>Homeless Services</b>					
% homeless referrals accepted	Quarterly	<85%	85% - 89%	>90%	100%
% applicable service users in receipt of all relevant benefits as a result of support provided	Quarterly	<85%	85% - 89%	>90%	100%
% applicable Service Users actively engaged in employment (paid or voluntary) and/or desired training/education as a result of support provided	Quarterly	<85%	85% - 89%	>90%	100%
% applicable Service users accessing primary health care/mental health services/social services as a result of support provided	Quarterly	<95%	95 - 99%	100%	100%
% Service users feeling more secure in their home/tenancy as a result of support provided	Quarterly	<85%	85% - 89%	>90%	100%
% Service users with improved or enhanced social network as a result of support provided	Quarterly	<85%	85% - 89%	>90%	100%
% homeless residents moved on in a planned way	Quarterly	<85%	85% - 89%	>90%	100%
% Moved on service users living in permanent/stable accommodation in the community as a result of support provided	Quarterly	<85%	85% - 89%	>90%	100%



**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)**

**Corporate Theme 5 – Financial Assurance, Sustainability**

<b>Corporate Theme 5 - FINANCIAL ASSURANCE, SUSTAINABILITY</b>					
<b>Key Performance Indicators</b>					<b>Results</b>
<b>Description</b>	<b>Reporting Frequency</b>	<b>Indicator Range</b>			<b>Q4</b>
<b>Insolvency</b>					
Insolvency - Current Ratio	Quarterly	<1	1	>1	2.0
<b>Banking</b>					
Bank Covenant Interest Cover (Danske)	Quarterly	<1.25	1.25	>1.25	2.6
Gearing Ratio (New Calculation Danske)	Quarterly	>40%	40%	<40%	25%
Average Interest Rate	Quarterly	>6%	5.1% - 6%	<5%	2.9%
<b>Performance</b>					
Gross Margin	Quarterly	<38%	38% - 40.9%	>41%	42%
Net Margin	Quarterly	<26%	26% - 28.9%	>29%	24%
Return on Capital Employed	Quarterly	<1.4%	1.4% - 1.59%	>1.6%	1.9%
Management cost per unit	Quarterly	>£690	£656 - £690	<£656	£688
Maintenance cost per unit	Quarterly	>£815	£774 - £815	<£774	£922
<b>Income Management</b>					
Rent & Other Charges Collected	Quarterly	<96%	96% - 97%	>98%	101.5%
Total Arrears (% against income debits)	Quarterly	>5%	4.1% - 5.0%	<4%	7.50%
Current Tenant Rent Arrears (% against income debits)	Quarterly	>3%	2.6% - 3.0%	<2.5%	5.1%
Former Tenant Rent Arrears (% against income debits)	Quarterly	>2%	1.6% - 2.0%	<1.5%	2.4%
Current Tenant (Technical Arrear) %	Quarterly	>2%	1.71% - 2.0%	<1.7%	4.7%
Current Tenant (Net Arrear) %	Quarterly	>1%	0.81% - 0.99%	<0.8%	0.4%
Non Technical Arrears/Non-Technical Income	Quarterly	>5%	5%	<5%	1.4%
Total rent arrears written off	Annually	>1.5%	1 - 1.5%	<1%	0.3%
Void Loss (% against income debits)	Quarterly	>4%	2.6% - 4%	<2.6%	4%
Void Loss (Sheltered)	Quarterly	>15.5%	10% - 15.5%	<10%	13%

By order of the Board



Mr James McShane  
 Company Secretary

Belfast  
 28 June 2021

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

We have audited the financial statements of Ark Housing Association Northern Ireland Limited (the 'Association') for the year ended 31 March 2021 which comprise of the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with requirements of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

**Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. 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.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 requires us to report to you, if in our opinion:

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

**Responsibilities of the Board**

As explained more fully in the statement of board members' responsibilities set out on page 3, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

**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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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.

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.

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

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

In identifying and assessing potential risks of material misstatement in respect of irregularities, including fraud and non-compliances with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance, including the Association's remuneration policies for directors, bonus levels and performance targets, if any;
- Results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the Association's documentation of their policies and procedures relating to;
- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instance of non-compliance;
- Detecting and responding to the risks of fraud and whether they have and knowledge of any actual, suspected or alleged fraud; and
- The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the Association for fraud and identified the greatest potential for fraud in revenue recognition and management override. In common with all audits under ISAs (UK), we also perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Association operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993 and the Statement of Recommended Practice for Social Housing Providers 2018.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

**Extent to which the audit was considered capable of detecting irregularities, including fraud (cont'd)**

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Association's ability to operate or to avoid a material penalty.

**Audit response to risks identified**

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with tax authorities; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

**Use of our report**

This report is made solely to the Association's members, as a body, in accordance with Section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and article 19 of The Housing (Northern Ireland) Order 1992. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Nigel Moore FCA  
Senior Statutory Auditor

GMcG BELFAST  
Chartered Accountants & Statutory Auditor  
Alfred House  
19 Alfred Street  
Belfast  
BT2 8EQ

Date: 28 June 2021

**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Turnover</b>	2	3,886,193	3,362,532
<b>Operating costs</b>	2	<u>(2,778,171)</u>	<u>(2,460,175)</u>
<b>Operating Surplus</b>	7	1,108,022	902,357
Interest receivable and similar income	5	810	3,627
Interest payable and similar charges	6	(432,863)	(456,893)
Other finance (costs)/income	15	(25,000)	(16,000)
Additional Pension Service Costs	15	(134,000)	(141,000)
Gain on Property Disposal		165,648	87,218
Transfer to DPF		(150,852)	(81,177)
Transfer from/(to) tenants' fund		(38,672)	31,854
<b>Surplus on ordinary activities</b>		<u>493,093</u>	<u>329,986</u>
Actuarial (loss)/gain on pension scheme	15	<u>(413,000)</u>	<u>(266,000)</u>
<b>Total comprehensive income for the year</b>		<u><u>80,093</u></u>	<u><u>63,986</u></u>

All amounts above relate to continuing operations.

There is no material difference between the surplus for the year end and their historical cost equivalent.

**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Surplus for the financial year		493,093	329,986
Actuarial (loss)/gain on pension scheme	15	(413,000)	(266,000)
Issued share capital in year	16	3	5
Net changes in capital and reserve		<u>80,096</u>	<u>63,991</u>
Opening revenue reserve		4,182,808	4,118,822
Opening Capital	16,17	47	42
Closing total capital and reserves		<u><u>4,262,951</u></u>	<u><u>4,182,855</u></u>

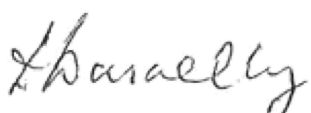


**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021**

		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>			
Housing properties - depreciated cost	8	53,754,313	39,701,647
Other tangible fixed assets	9	<u>920,677</u>	<u>115,406</u>
		54,674,990	39,817,053
<b>CURRENT ASSETS</b>			
Debtors	10	7,392,645	2,473,879
Cash at bank and in hand		<u>1,734,366</u>	<u>1,089,006</u>
		9,127,011	3,562,885
<b>Creditors: amounts falling due within one year</b>	11	(5,169,285)	(2,570,289)
<b>Net Current Assets</b>		<u>3,957,726</u>	<u>992,596</u>
<b>Total Assets Less Current Liabilities</b>		<u>58,632,716</u>	<u>40,809,649</u>
<b>CREDITORS: amounts falling due after more than one year</b>			
Creditors	12	(52,664,765)	(35,493,794)
Pension deficit	15	<u>(1,705,000)</u>	<u>(1,133,000)</u>
		<u>(54,369,765)</u>	<u>(36,626,794)</u>
<b>NET ASSETS</b>		<u>4,262,951</u>	<u>4,182,855</u>
<b>Capital and Reserves</b>			
Called up share capital	16	11	22
Capital reserve	17	39	25
Restricted reserves	19	7,768	-
Revenue reserve	18	<u>4,255,133</u>	<u>4,182,808</u>
<b>TOTAL FUNDS</b>		<u>4,262,951</u>	<u>4,182,855</u>

The financial statements on page 21 to 42 were approved by the Board of Management on 28 June 2021 and were signed on its behalf by



**Chair of the Board of Management**



**Board Member**



**Company Secretary**

**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Net cash generated from operating activities</b>	23	<u>1,278,523</u>	<u>1,165,507</u>
<b>Cash flow from Investing activities</b>			
Purchase of housing properties		(14,739,978)	(6,198,894)
Purchase of other fixed assets		(680,042)	(4,331)
House Sale		202,112	80,028
Capital grants received		<u>11,968,438</u>	<u>4,131,439</u>
		<u>(3,249,470)</u>	<u>(1,991,758)</u>
<b>Cash flow from financing activities</b>			
Loan principal repayments		(1,051,643)	(247,102)
Loan advances received		4,100,000	1,900,000
Shares		3	-
Interest Paid		(432,863)	(456,893)
Interest Received		<u>810</u>	<u>3,627</u>
<b>Net cash from financing activities</b>		<u>2,616,307</u>	<u>1,199,632</u>
<b>Net (decrease)/increase in cash</b>		645,360	373,381
Cash and cash equivalents at the beginning of the year		<u>1,089,006</u>	<u>715,625</u>
<b>Cash and cash equivalents at the end of the year</b>		<u><u>1,734,366</u></u>	<u><u>1,089,006</u></u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**1 Accounting Policies**

**1.1 Basis of Accounting**

The financial statements have been prepared on the historical cost basis and in compliance with FRS 102, The Financial Reporting Standard applicable in the UK and the Housing SORP 2018: Statement of Recommended Practice for Social Housing Providers.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts are rounded to the nearest £.

The Association is a company limited by shares incorporated in Northern Ireland. The registered office is situated at Unit 1, Hawthorn Office Park, 43 Stockmans Way, Belfast, BT9 7ET.

**1.2 Re-presentation**

In accordance with the Housing SORP 2018, the transfer to disposal proceeds fund and the transfer to tenants' fund are included in the Statement of Comprehensive income for the year. In the prior year, the transfer to disposal proceeds fund of £81,777 and the transfer from tenants' fund of £31,854 were included in the Statement of Changes in Reserves. The comparatives have been re-presented in line with the current year. This has had nil impact on the overall results for year ended 31 March 2020.

**1.3 Turnover**

Turnover represents rental income, service charges receivable net of voids and the release of capital grants and is recognised in the period to which it relates.

**1.4 Other Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected useful economic lives of the assets at the following annual rates: Furniture and equipment 10% - 33.3%.

No depreciation is charged on the new office during the period of development.

**1.5 Housing Properties**

Housing properties are stated at cost less accumulated depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements. All development costs directly attributable to bringing properties into management are identified and capitalised to schemes in construction during the year, this includes capitalising interest payments.

Expenditure on improvements to existing properties, which enhances the economic benefits of the property or extends its useful life, is capitalised as part of the cost of the property. Other maintenance expenditure is written off to the Income and Expenditure Account as it is incurred.

Depreciation is charged on a straight-line basis over varying timescales, depending on the estimated useful life of the individual components. The major components and their estimated useful lives are listed below. Depreciation charged in the accounts is based on properties in management on the 1st April each year.

Land	Not depreciated
Structure (including roof)	100 years
Kitchen	20 years
Bathroom	25 years
Heating boiler	10 years
Heating system	30 years
Windows and doors	35 years
Electrics	35 years

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**1 Accounting Policies (Cont'd)**

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down charged to operating surplus.

**Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

**1.6 Housing Association Grant**

Grant received for property has been included under long term liabilities and is amortised over the estimated useful life of the component to which it relates on the same basis as the depreciation charge listed above under the accruals model. Such grants may be repayable under certain circumstances, primarily following the sale of housing property, but any amount repayable would be restricted to the net proceeds of the sale.

**1.7 Restricted Reserves**

The Association sets aside money raised for a specific purpose into a restricted reserve.

**1.8 Retirement Benefits**

The Association participates in the NILGOSC defined benefit pension scheme. The underlying assets and liabilities of the scheme attributable to the Association are held separately from those of the Association. Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value. Assets are measured at market value at the balance sheet date. As a result, the Association either recognises the scheme deficit on the balance sheet at the year end, or in the case of an asset position, does not recognise this on the balance sheet, on the grounds of prudence. Actuarial gains and losses are included in the statement of comprehensive income. Current and past service costs, curtailments and settlements are recognised within operating surplus. Returns on scheme assets and interest on obligations are recognised as other finance costs.

**1.9 Disposal Proceeds Fund**

Surpluses from disposal of housing properties, including the Voluntary Purchase Grant, are transferred to the Disposal Proceeds Fund. The association is required to apply these surpluses within a specified period to housing projects as Recycled Housing Association Grant.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**1 Accounting Policies (Cont'd)**

**1.10 Tenants' Services Fund**

For certain schemes the Association is required to charge the tenants for additional services provided, over and above those of the normal management and maintenance services. The Association levies an additional charge to the tenants for this. Annual surpluses are transferred to a fund to equalise the financial position over a period of time and deficits are written off in the year in which they occur.

**1.11 Operating Leases**

Costs under operating leases are charged to the income and expenditure account in the period to which they relate. Outstanding commitments are disclosed in the notes to the financial statements.

**1.12 Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.13 Judgement and Key Sources of Estimation Uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The association has recognised a defined benefit pension scheme liability in the balance sheet, the value of which has been prepared by an independent qualified actuary. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

The annual depreciation charge on fixed assets depends primarily on the estimated lives of each type of asset and estimates of residual values. The asset lives are regularly reviewed and are changed as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation and amortisation charges for the period. Details of the useful lives is included in the accounting policies.

**1.14 Cash and Cash Equivalents**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**1 Accounting Policies (Cont'd)**

**1.15 Financial Instruments**

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss. 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 profit or loss.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**1 Accounting Policies (Cont'd)**

***Basic financial liabilities***

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. 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.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**2 Turnover, operating costs and operating surplus**

	2021			2020		
	Operating Turnover	Operating Costs	Operating Surplus/ (deficit)	Operating Turnover	Operating Costs	Operating Surplus/ (deficit)
	£	£	£	£	£	£
Social Housing Activities	3,573,956	2,461,816	1,112,140	3,145,471	2,232,447	913,024
Non-Social Housing Activities	312,237	316,355	(4,118)	217,061	227,728	(10,667)
<b>Total</b>	<u>3,886,193</u>	<u>2,778,171</u>	<u>1,108,022</u>	<u>3,362,532</u>	<u>2,460,175</u>	<u>902,357</u>

**Income from Social Housing**

	Property Revenue	Sheltered	Supported	2021 Total Social Housing
	£	£	£	£
Rent receivable	2,060,030	269,052	265,939	2,595,021
Service Charges Receivable	75,072	101,213	148,641	324,926
Support Charges and other	15,000	38,852	299,966	353,818
Gross Income	<u>2,150,102</u>	<u>409,117</u>	<u>714,546</u>	<u>3,273,765</u>
Voids	<u>(42,735)</u>	<u>(50,766)</u>	<u>(25,891)</u>	<u>(119,392)</u>
Net Income	2,107,367	358,351	688,655	3,154,373
Grant released	<u>297,553</u>	<u>28,481</u>	<u>93,549</u>	<u>419,583</u>
Total Income	2,404,920	386,832	782,204	3,573,956

**Operating Costs**

Services	64,013	93,405	114,364	271,782
Support	-	36,074	258,290	294,364
Rates Payable	272,146	37,350	-	309,496
Insurance	58,057	5,996	12,552	76,605
Management Costs	197,276	39,857	63,498	300,631
Maintenance Administration Costs	225,161	-	-	225,161
Planned and Cyclical Maintenance	46,283	800	6,297	53,380
Reactive Maintenance	161,163	18,909	37,033	217,105
Gardening	8,426	-	1,432	9,858
Component Disposals	3,302	-	-	3,302
Depreciation of Properties	519,301	62,707	118,124	700,132
Bad Debts	-	-	-	-
Total Operating Costs	<u>1,555,128</u>	<u>295,098</u>	<u>611,590</u>	<u>2,461,816</u>

**Operating Surplus**

1,112,140



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**2 Turnover, operating costs and operating (Cont'd)**

**Income from Social Housing**

	<b>Property Revenue</b>	<b>Sheltered</b>	<b>Supported</b>	<b>2020 Total Social Housing</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rent receivable	1,745,794	262,287	264,036	2,272,117
Service charges	42,702	85,411	141,057	269,170
Support Charges and Other		26,801	303,230	330,031
Gross income	<u>1,788,496</u>	<u>374,499</u>	<u>708,323</u>	<u>2,871,318</u>
Voids	<u>(36,390)</u>	<u>(39,730)</u>	<u>(14,373)</u>	<u>(90,493)</u>
Net income	1,752,106	334,769	693,950	2,780,825
Grant released	<u>238,351</u>	<u>29,019</u>	<u>97,276</u>	<u>364,646</u>
Total Income	<u>1,990,457</u>	<u>363,788</u>	<u>791,226</u>	<u>3,145,471</u>
<b>Operating costs</b>				
Service charges	59,264	93,064	124,547	276,875
Support Charges	-	29,729	299,349	329,078
Rates	235,365	42,701	-	278,066
Insurance	52,444	7,978	9,977	70,399
Management	143,768	22,488	97,511	263,767
Maintenance admin	162,369	-	-	162,369
Planned and cyclical maintenance	41,770	6,626	5,614	54,010
Reactive maintenance	138,261	22,053	19,423	179,737
Gardening	17,682	-	9,234	26,916
Component Disposals	5,468	-	(77)	5,391
Depreciation of properties	422,165	45,885	117,789	585,839
Bad Debts	-	-	-	-
Total costs	<u>1,278,556</u>	<u>270,524</u>	<u>683,367</u>	<u>2,232,447</u>
<b>Operating surplus</b>				<u><u>913,024</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**2 Turnover, operating costs and operating surplus (Cont'd)**

**Gross income from rents and service charges**

	<b>2021</b>			
	<b>Property Revenue</b>	<b>Sheltered</b>	<b>Supported</b>	<b>Total Social Housing</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Technical	1,494,571	349,809	373,122	2,217,502
Non-technical	<u>640,531</u>	<u>20,456</u>	<u>41,458</u>	<u>702,445</u>
<b>Total</b>	<u><b>2,135,102</b></u>	<u><b>370,265</b></u>	<u><b>414,580</b></u>	<u><b>2,919,947</b></u>

	<b>2020</b>			
	<b>Property Revenue</b>	<b>Sheltered</b>	<b>Supported</b>	<b>Total Social Housing</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Technical	1,251,947	328,973	364,584	1,945,504
Non-technical	<u>536,549</u>	<u>18,725</u>	<u>40,509</u>	<u>595,783</u>
<b>Total</b>	<u><b>1,788,496</b></u>	<u><b>347,698</b></u>	<u><b>405,093</b></u>	<u><b>2,541,287</b></u>

**DFC Allowances**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Management Allowances	151,272	129,492
Management Costs	(197,276)	(143,768)
<b>Deficit</b>	<u><b>(46,004)</b></u>	<u><b>(14,276)</b></u>

Maintenance Allowances	177,248	148,458
Planned and cyclical maintenance	(46,283)	(41,770)
Reactive Maintenance	(161,163)	(138,261)
<b>Deficit</b>	<u><b>(30,198)</b></u>	<u><b>(31,574)</b></u>

**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**2 Turnover, operating costs and operating surplus (Cont'd)**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Income	<u>312,237</u>	<u>217,061</u>
Total	<u>312,237</u>	<u>217,061</u>
Operating Costs		
Management Services	<u>316,355</u>	<u>227,728</u>
Total	<u>316,355</u>	<u>227,728</u>
Operating deficit	<u>(4,118)</u>	<u>(10,667)</u>

**Housing Stock**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Number of units owned on 31 March</b>		
General needs housing	382	327
Supported Housing	57	57
Sheltered Housing	74	72
Homeless	<u>24</u>	<u>24</u>
	<u>537</u>	<u>480</u>

**3 Board Members' emoluments**

Board members act in a voluntary capacity and as such, none were in receipt of emoluments during the year. No members were reimbursed expenses during the year (2020 - £115 to two members).

**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**4 Employee Information**

	<b>2021</b>	<b>2020</b>
Average monthly number of persons employed during the financial year by activity:		
Office	16	12
Support Staff	<u>27</u>	<u>31</u>
	<u>43</u>	<u>43</u>
<b>Staff Costs</b>		
Wages and salaries	872,130	760,278
Social security costs	65,108	61,478
Other pension costs	<u>136,518</u>	<u>123,800</u>
	<u>1,073,756</u>	<u>945,556</u>
<b>Directors' Emoluments</b>		
Aggregate Emoluments	157,167	151,317
Pension contributions	<u>29,740</u>	<u>28,044</u>
	<u>186,907</u>	<u>179,361</u>
<b>CEO's Emoluments</b>		
Aggregate Emoluments	76,637	73,744
Pension contributions	<u>14,642</u>	<u>12,551</u>
	<u>91,279</u>	<u>86,295</u>
<b>Total Directors' Emoluments per Salary</b>	Number	Number
£90,000 - £95,000	1	1
£60,000 - £65,000	<u>3</u>	<u>3</u>
	<u>4</u>	<u>4</u>

**5 Interest receivable and similar income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest receivable	<u>810</u>	<u>3,627</u>

**6 Interest payable and similar charges**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Loan interest repayable	<u>432,863</u>	<u>456,893</u>

**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**7 Operating Surplus**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>This is stated after</b>		
Depreciation	748,032	621,481
Amortisation of grant	(417,465)	(364,646)
Amortisation written off	(1,059)	-
Components written off	3,302	5,392
Operating Lease Rentals - land and buildings	41,520	36,000
Auditors' remuneration		
- audit services	7,800	7,800

**8 Tangible fixed assets - housing properties (land & buildings)**

	<b>2021</b>	<b>2020</b>
<b>Cost</b>		
At 1 April 2020	45,399,223	39,488,572
Additions	14,842,803	6,129,136
Disposals	(143,985)	(218,485)
<b>At 31 March 2021</b>	<u>60,098,041</u>	<u>45,399,223</u>
<b>Accumulated depreciation</b>		
At 1 April 2020	5,697,576	5,275,632
Charge for year	700,132	585,839
Disposals	(53,980)	(163,895)
<b>At 31 March 2021</b>	<u>6,343,728</u>	<u>5,697,576</u>
<b>NBV at 31 March 2021</b>	<u><u>53,754,313</u></u>	<u><u>39,701,647</u></u>
<b>Net Book Amount Comprises:</b>		
<b>Completed Schemes</b>	43,824,129	36,101,943
<b>Schemes in Progress</b>	9,930,184	3,599,704
	<u><u>53,754,313</u></u>	<u><u>39,701,647</u></u>

**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**9 Other Tangible Fixed Assets**

	<b>House Furniture £</b>	<b>Office Fixtures &amp; Fittings £</b>	<b>New Office £</b>	<b>2021 Total £</b>	<b>2020 Total £</b>
<b>Cost</b>					
At 1 April 2020	265,308	260,192	1,662	527,162	522,831
Additions	-	21,083	832,088	853,171	4,331
Disposals	(243,007)	-	-	(243,007)	-
<b>At 31 March 2021</b>	<u>22,301</u>	<u>281,275</u>	<u>833,750</u>	<u>1,137,326</u>	<u>527,162</u>
<b>Accumulated depreciation</b>					
At 1 April 2020	253,551	158,205	-	411,756	376,114
Charge for the year	6,084	41,816	-	47,900	35,642
Disposals	(243,007)	-	-	(243,007)	-
<b>At 31 March 2021</b>	<u>16,628</u>	<u>200,021</u>	<u>-</u>	<u>216,649</u>	<u>411,756</u>
<b>Net book value</b>					
<b>At 31 March 2021</b>	<u>5,673</u>	<u>81,254</u>	<u>833,750</u>	<u>920,677</u>	<u>115,406</u>

	<b>2021 £</b>	<b>2020 £</b>
<b>10 Debtors</b>		
Rental Debtors - Gross technical	133,271	89,157
Rental Debtors - Gross non-technical	78,611	90,012
Provision for Bad Debts	(53,630)	(53,630)
Net Rental (including rates and service charges)	158,252	125,539
Other Debtors	44,458	98,125
Prepayments	615,637	282,518
Housing Association Grants Receivable	6,574,298	1,967,697
	<u>7,392,645</u>	<u>2,473,879</u>

	<b>2021 £</b>	<b>2020 £</b>
<b>11 Creditors - amounts falling due within one year</b>		
Bank loans (note 14)	201,739	232,899
Rent, rates, service charges received in advance	63,635	46,485
Deferred Grant (note 13)	770,779	484,519
HAG in Advance	2,768,608	874,706
Contractors	349,246	285,236
Other Creditors	40,389	666
Accruals and Deferred Income	856,778	498,684
Payroll cost and Pension fund	36,809	31,301
Disposals proceeds fund	81,302	115,793
	<u>5,169,285</u>	<u>2,570,289</u>

**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**12 Creditors - amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank Loans (note 14)	14,745,744	11,671,170
Housing Association Grants (note 13)	37,768,169	23,741,447
Disposal proceeds fund	<u>150,852</u>	<u>81,177</u>
	<u><u>52,664,765</u></u>	<u><u>35,493,794</u></u>

**13 Deferred Grant - Housing Association Grant**

	<b>2021</b>	<b>2020</b>
<b>Housing Association Grant</b>		
At 1 April 2020	28,315,823	25,396,847
Additions	14,782,949	3,025,087
Disposals	<u>(81,951)</u>	<u>(106,111)</u>
<b>At 31 March 2021</b>	<u><u>43,016,821</u></u>	<u><u>28,315,823</u></u>
<b>Accumulated Amortisation</b>		
At 1 April 2020	4,089,857	3,798,922
Charge for year	418,524	364,646
Disposals	<u>(30,508)</u>	<u>(73,711)</u>
<b>At 31 March 2021</b>	<u><u>4,477,873</u></u>	<u><u>4,089,857</u></u>
<b>NBV at 31 March 2021</b>	<u><u>38,538,948</u></u>	<u><u>24,225,966</u></u>
<b>Released within one year</b>	770,779	484,519
<b>Released after more than one year</b>	<u><u>37,768,169</u></u>	<u><u>23,741,447</u></u>
	<u><u>38,538,948</u></u>	<u><u>24,225,966</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**14 Loans**

Loans are secured on individual assets of the Association and are repayable as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans - Housing property and other loans		
Less than one year	201,739	232,899
Between one and two years	256,011	244,405
Between two and five years	865,095	769,367
After more than five years	<u>13,624,638</u>	<u>10,657,398</u>
	<u>14,947,483</u>	<u>11,904,069</u>

Bank debt is secured by way of mortgages upon the deeds of the related properties financed by loans and bear interest at fixed and variable rates.

Unamortised finance costs of £154,272 (2020 - £149,328) associated with the secured loan are held against the outstanding balance measured at amortised cost using the effective interest method in accordance with FRS 102 Section 11.

**15 Retirement Benefits**

The Association's pension scheme forms part of the total fund administered by NILGOSC. Ark has contributed at a rate of 19.5% of pensionable salaries. Members have paid contributions at varying rates up to 8.50%.

Formal valuations are carried out at regular intervals by independent professionally qualified actuaries. The last formal valuation was carried out as at 31 March 2019.

**Assumptions**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
Rate of salary increase	4.20%	3.50%	3.60%
Pension increases in payment	2.70%	2.00%	2.10%
Discount rate	2.10%	2.30%	2.50%
Pension accounts revaluation rate	2.70%	2.00%	2.10%

**Mortality Rates**

	<b>2021</b>	<b>2020</b>
	<b>(Years)</b>	<b>(Years)</b>
Male - current pensioners	21.9	21.8
Male - future pensioners	23.3	23.2
Female - current pensioners	25.1	25.0
Female - future pensioners	26.5	26.4



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**15 Retirement Benefits(continued)**

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

	<b>2021</b>	<b>2020</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Equities	1,647	1,202
Government bonds	839	736
Property	316	282
Corporate bonds	430	355
Other	135	113
Cash	188	133

**Reconciliation of funded status to balance sheet**

	<b>2021</b>	<b>2020</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Fair value of assets	3,555	2,821
Present value of scheme liabilities	<u>(5,260)</u>	<u>(3,954)</u>
Deficit in scheme	(1,705)	(1,133)
Related deferred tax liability	<u>-</u>	<u>-</u>
Net pension deficit	<u>(1,705)</u>	<u>(1,133)</u>

**Income and expenditure impact**

The following amounts have been recognised in the statements of comprehensive income:

	<b>2021</b>	<b>2020</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Current service cost	269	243
Past service cost	-	28
Interest on net liability	<u>25</u>	<u>16</u>
Income Statement Total	<u>294</u>	<u>287</u>
Asset (losses)/gains arising in the period	564	(425)
Liability gains/(losses) arising in the period	<u>(977)</u>	<u>159</u>
Other Comprehensive Income Statement Total	<u>(413)</u>	<u>(266)</u>

**Changes to the present value of obligations**

	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Opening obligation	3,954	3,783
Current service cost	269	243
Past service cost	-	28
Interest expense on obligations	91	94
Contributions by participants	47	42
Actuarial (gain)/loss on liabilities	977	(159)
Net benefits paid out	<u>(78)</u>	<u>(77)</u>
Closing obligation	<u>5,260</u>	<u>3,954</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**15 Retirement Benefits(continued)**

**Changes to the fair value of assets**

	<b>31 March 2021</b> <b>(£000s)</b>	<b>31 March 2020</b> <b>(£000s)</b>
Opening fair value of assets	2,821	3,073
Interest income on assets	66	78
Remeasurement (losses)/gains	564	(425)
Contributions by employer	135	130
Contributions by participants	47	42
Net benefits paid out	<u>(78)</u>	<u>(77)</u>
Closing fair value of assets	<u><u>3,555</u></u>	<u><u>2,821</u></u>

**Actual return on assets**

	<b>31 March 2021</b> <b>(£000s)</b>	<b>31 March 2020</b> <b>(£000s)</b>
Interest income on assets	66	78
Remeasurement (losses)/gains	<u>564</u>	<u>(425)</u>
Actual return on assets	<u><u>630</u></u>	<u><u>(347)</u></u>

**16 Called up share capital**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Ordinary shares of £1 each, fully paid		
At 1 April 2020	22	20
Alloted during the year	3	5
Transferred to capital reserve	<u>(14)</u>	<u>(3)</u>
<b>At 31 March 2021</b>	<u><u>11</u></u>	<u><u>22</u></u>

**17 Capital Reserve**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
At 1 April 2020	25	22
Transferred from share capital	<u>14</u>	<u>3</u>
<b>At 31 March 2021</b>	<u><u>39</u></u>	<u><u>25</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**18 Revenue Reserve**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At 1 April 2020	4,182,808	4,118,822
Surplus for the year	485,325	329,986
Actuarial (loss)/gain	<u>(413,000)</u>	<u>(266,000)</u>
	<u><u>4,255,133</u></u>	<u><u>4,182,808</u></u>

**19 Restricted Reserve**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At 1 April 2020	-	-
Surplus in year	<u>7,768</u>	<u>-</u>
	<u><u>7,768</u></u>	<u><u>-</u></u>

The restricted reserve are funds from NIHE Supporting People for specific purposes relating to sheltered and homeless services.

**20 Contingent liabilities**

There exists a contingent liability on the Association of the possibility of having to repay grants received on properties if any properties are sold. This also includes any grants written off through the implementation of component accounting.

**21 Commitments**

*Capital Commitments*

Capital commitments amounting to £25,815,015 (2020 - £8,933,749) have been contracted for as at 31 March 2021. These commitments will be financed through a combination of HAG, loans and the Association's reserves.

*Operating Lease Commitments*

At the year end the Association had total commitments under operating leases expiring in less than 5 years of £10,380 (2020 - £22,500).

**22 Related party disclosures**

No transactions with related parties were undertaken such as are required to be disclosed under UK GAAP.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**23 Notes to the Cash Flow Statement**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Net cash inflow from operating activities</b>		
Operating surplus for the year	1,108,022	902,357
Depreciation of tangible fixed assets	748,032	621,481
Amortisation of grant	(418,524)	(364,646)
Amortisation written off	(1,059)	-
Components written off	3,302	5,392
Movement in debtors	(369,781)	(260,735)
Movement in creditors less than one year	208,531	261,658
	<u>1,278,523</u>	<u>1,165,507</u>

**24 Analysis of changes in net debt**

	<b>2020</b>	<b>Cashflows</b>	<b>Other non cash changes</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Long-term borrowings	(11,671,170)	(3,076,852)	2,278	(14,745,744)
Short-term borrowings	(232,899)	28,495	2,665	(201,739)
Total Liabilities	<u>(11,904,069)</u>	<u>(3,048,357)</u>	<u>4,943</u>	<u>(14,947,483)</u>
Cash and Cash Equivalents	<u>1,089,006</u>	<u>645,360</u>	<u>-</u>	<u>1,734,366</u>
Total net debt	<u>(10,815,063)</u>	<u>(2,402,997)</u>	<u>4,943</u>	<u>(13,213,117)</u>