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 2022

CONTENTS	**Page**
Board of Management and advisors	1
Report of Board of Management	2 – 4
Strategic Report of the Board of Management	5 – 16
Independent Auditors Report to the Members of Ark Housing Association NI Limited	17 – 20
Statement of Comprehensive Income	21
Statement of Changes in Reserves	22
Statement of Financial Position	23
Statement of Cash Flows	24
Notes to the financial statements	25 – 42

BOARD OF MANAGEMENT & ADVISORS

Board of Management

Mr Tom Doran (Chair)	
Dr Deborah Donnelly	(Resigned 28 June 2021)
Mr Ian McAvoy (Vice-Chair)	
Ms Nicole Mulholland	
Ms Deborah Reynolds	
Ms Sarah Corrigan	(Resigned 18 June 2021)
Ms Sara McClintock	
Mr Kevin McElroy	
Ms Denise Burns	
Ms Catherine Blackbourne	
Mr Ward Erwin	

Chief Executive & Company Secretary
Mr James P McShane

Registerd 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
Danske Bank
Donegall Square West
Belfast
BT1 6JS

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 2022 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	– *Forward thinking, supporting change and transformational*
Respect	- *Treat everyone with dignity & esteem*
Integrity	- *Maintain the highest professional and personal standards*
Diversity & Equality	- *Value diversity and equality in everything we do*
Excellence	- *Strive to deliver the highest standards of quality and customer care*

We currently own 605 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 11 persons with a wide range of skills and experience. The gender balance of the Board during 2021/2022 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.

Board/Committees	Number of Meetings during 2021/22
Board	6
Audit and Risk Committee	5
Investment Committee	4
Governance Committee	2
Remuneration Committee	1

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.

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 28 June 2021. A resolution to reappoint GMcG Group Limited will be proposed at the Annual General Meeting.

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

Mr Tom Doran
Chair of the Board of Management

Belfast
27 June 2022

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

Business Overview

The financial year 2021-22 marked the third year of our ambitious five-year plan to achieve 1,000 units of accommodation under management by March 2024. To date we have 605 completed units plus 380 units currently on site, which already brings us extremely close to achieving our target.

We achieved 186 new build starts during 2021-22, against a target of 150.

We had 68 completions during 2021-22 against a target of 135. Although there have been some delays in the other 67 units completing, they are on track to complete in the first half of 2022-23 financial year.

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.

During 2021/22 we digitised our risk management strategy, with the introduction of the Decisiontime Risk Management software module. We recognised that risks are an intrinsic part of the organisation and risk management, and an organisation's approach to it, can be a matter that may make or break many businesses. This tool encourages scrutiny across the spectrum of risks from day-to-day operational risks to readiness for major global events. The system creates reports that improve the quality of information that is presented and communicated to the board.

Risks identified and monitored throughout 2021/2022 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
- Sufficient security to raise private finance
- 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 Governance - Management information and reporting and an assessment of a Property Maintenance refurbishment project. Both internal audit reports returned satisfactory outcomes in the 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 £4.6m compared to almost £3.9m in 2020/21, representing a 17% increase which reflects the Association's unit growth. The total movement in equity for the year was £1.2m compared to £80k in 2020/21. The movement in 2020/21, was however greatly reduced by a transfer of £572k to the pension liability, whereas in 2021/22 the liability was reduced by £326k. Our surplus is used to fund loan capital

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

repayments and to fund our long-term home improvement plans. Our budget has been well managed, and the performance this year was strong, exceeding budget expectations. We achieved a gross margin of 44% and a net margin of 24%, both calculated using the adjusted operating surplus and turnover.

We have a strong Balance Sheet with property fixed assets increasing by £21m from the 2020/21 financial year to £81m at March 2022. This increase is largely due to our investment in new homes and some 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 5:1 is a strong current ratio.

Our bank loan balances increased by £14m during the year due to drawdowns from our Revolving Credit Facility (RCF), reflecting the Association's ambitious growth strategy. We secured two additional Revolving Credit Facilities (RCF) during the financial year, for £6m and £15m. The new facilities have more favourable terms regarding non-utilisation fees, interest cover and the gearing covenant. These terms were extended to the existing £12m facility.

The Association also succeeded in refinancing two older fixed rate loans, and although break fees were incurred, the interest savings over the course of the loan will outweigh this cost and will produce substantial savings.

Our gearing ratio of 36% is well within our 50% maximum range and allows capacity for continued growth.

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 1.7%, which has reduced from 2.9% last year due to a very competitive RCF.

Safeguarding

We are committed to practices which promote the welfare of adults and children at risk and safeguards them from harm. Our staff accept and recognise their responsibilities and are committed to adhering to the policies and procedures in place and we ensure that they are adequately trained in this area. In 2021/2022 we undertook a fundamental review of our existing safeguarding policies and procedures and updated our risk register to ensure robust measures were in place in regard to safeguarding. Staff participated in Safeguarding training in April 2021, and we continue to ensure that all new staff are provided with an overview during induction. The Association's Adult Safeguarding Champion continues to investigate and report safeguarding issues to the Association's Board, Charities Commission and Supporting People. During 2021/2022, 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. We reported 6 tenancy fraud investigations during 2021/22. 5 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:

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

- 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

We are committed to providing the best value for money for services for our tenants. Demand for services is continually 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
We produce annually a Financial Long-Term Business Plan, which sets out the following 5 years growth strategy and objectives and then extends for an additional 25 years to ensure the strategy's long-term financial viability, by confirming that future income streams will be sufficient to meet future expenditure. The plan identifies the financing required and demonstrates the Association's ability to repay the loans and meet banking covenants as well as measuring other important KPI's. The model is then re-run several times, testing the impact of changes to the key assumptions. The assumptions which will have the greatest impact on the forecasting are selected for testing.

In addition, 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 had an overall saving of £7k 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. It is a difficult time to achieve cost cuts, as we are experiencing the price increases impacted by Covid 19 and Brexit. However, we have been engaging in technology to add VFM through our processes. Instead of installing the traditional desk telephones in our new office, we introduced an integrated cloud communications system which provides us the flexibility and resilience to quickly manage all employee and customer interactions from mobile phones. We are also currently working towards a more user-friendly website, combined with a tenant portal to provide an overall improved experience for our tenants.

We have achieved VFM through our new head office purchase which we moved into in June 2021. In addition to the saving on high rental costs, we have eliminated the risk and uncertainty of future rental increases. 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 also possibly provide equity over time, as a long-term asset.

Service charges are reviewed annually. The Association constantly strives for competitive contracts to drive service costs downwards. Unfortunately, in the current climate of high inflation, savings and lower costs are virtually non-existent. However, during 2021-22 the Association was successful in procuring a new Grounds Maintenance Contract, with costs maintained at their current rates, which was an achievement in the current market.

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.

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

We are committed to recognising, rewarding, and retaining highly motivated staff. 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 over £16k in staff training and development.

Despite the COVID19 pandemic, continuing into 2021/22 which led to the majority of our staff remote working throughout the year, we have achieved business and operational success by adapting to an increased electronic means of working and using digital platforms such as Microsoft Teams and Zoom for general communication and holding meetings. In December we held our usual half day staff conference via zoom. We have recognized that hybrid models of remote working are likely to continue in the wake of the pandemic, having been made possible by technological advancements. As a forward-looking organization, we wish to embrace the benefits of, providing staff with a work life balance while maintaining productivity, and have therefore, recently introduced a Hybrid Working policy.

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 44 people. The gender balance was 75% female, 25% male and the Senior Executive Team comprised of 75% female, 25% male also. Staff retention for the year was 91% at year end and despite COVID19, sickness absence levels were measured at an average 3.8%.

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 68 newly completed homes at March 2022 against a target of 135, with the variance due to complete early in the 2021/22 financial year.

In respect to new build starts, we achieved 186, against a target of 150, during the 2021-22 financial year, 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 have currently 380 units on site, at March 2022 and we are working towards a further 215 units, which are being progressed at various stages of development, to be on site during the 2022-23 financial year.

We invested £21m on new properties and component replacements during 2021/22 against £15m in 2020/21. This equates to a Property Fixed Asset growth of 35% and a property unit growth of 13%, both slightly up from 2020/21.

In funding our development programme, we secured two additional Revolving Credit Facilities, a £6m RCF and a £15m RCF, during financial year. We fixed £8m of our existing £12m facility to provide protection against potential interest rate increases.

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 £133k in planned maintenance and component replacements, however we had a budgeted spend of £390k. Unfortunately, our maintenance contractor went into administration mid-year which caused

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

delays in the planned maintenance programme. However, the work has been added onto the 2022/23 financial year, giving a hefty £660k planned maintenance budget. The budget is spread across several schemes, with particularly large spends for boiler and kitchen replacements in one scheme and replacement external doors in another scheme.

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 6 home adaptations at a cost of £10.4k.

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. 99% 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 2021/22 financial year we applied a very modest rent increase of 1.5%, being aware of the hardships faced by many tenants due to the pandemic.

The overall average rent for a self-contained property during 2021/22 was £89.86, compared to the 2020/21 financial year which was £88.69.

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 2021/2022 financial year was 6.8% which was above our KPI target of 4%. Of these, 4.9% were attributed to current tenants and 1.9% former tenants. Of the current tenants, 4.5% 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 0.3% 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 1% against a budget of 1.5%. The number of permanent social housing allocations made during the year was 115 (including new let and re lets) and the net average time to re-let a void property was 17 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 2,526 repairs with 2,349 (93%) of those being completed within our published timescales.

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

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

Urgency Indicator	% Response Time
Emergency	97%
Urgent	88%
Routine	95%

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 84% of all Anti-Social Behaviour cases that had been closed had been successfully resolved. In 2021, we undertook a review of our Anti-Social Behaviour policies and procedures and ensure that our staff continue to tackle ongoing cases in line with these policies and procedures.

We are committed to meaningful tenant participation and ensuring that our tenants are offered opportunities to have a say in and shape our services. During 2021/2022 we facilitated 22 tenant meetings, 5 Tenant Forum meetings and organised 6 Tenant Participation Training courses which were facilitated by Supporting Communities. We saw 27% of our tenants participating in one or more of these engagement activities. In addition to this, we carried out 4 consultation events in relation to service changes and arranged 2 pre-tenancy sessions for tenants moving into our new developments. Members of our Tenants Forum also worked alongside staff members to undertake a review of our website.

Ark Housing are committed to the promotion and provision of shared housing and have been supported by the Department for Communities and the Northern Ireland Housing Executive's 'Housing For All Programme'.
As part of this programme, Ark Housing in partnership with local voluntary and statutory agencies and the wider community have been developing and delivering good relations activities in our two shared housing schemes in Ogle Street, Armagh and Causeway Road, Newcastle.

We continually use feedback from tenant surveys and learnings from our complaints procedure to increase levels of satisfaction. In 2021/2022 we appointed an external consultant, Aquity to undertake our annual satisfaction survey. These results were also benchmarked against Housemark Star surveys.

The results from the survey show that:

- 80% of tenants satisfied with the overall service provided by the Association
- 80% satisfied with the standard of their home
- 80% believe rent to be value for money
- 75% believe service charges to be value for money
- 76% are satisfied with repairs and maintenance

Complaints
In 2021/2022, 21 formal complaints were received. 95% of our complaints were resolved on time and the overall average day to investigate and respond to our complaints was 14.95 days. All complaints were resolved satisfactorily, with 90% being resolved at stage 1 and those moved to stage 2 were all resolved at that stage, with no complaints received from the Ombudsman. We welcome complaints as a means of learning and being able to continuously improve.

Homeless Services
The new Floating Support Service, which was launched in March 2021 has meant that we have been able to extend our existing homeless service provision out into the Greater Belfast area. Through partnership working with the Northern Ireland Housing Executive, Supporting People and Community Hubs across Belfast, we have been able to provide support to 170 families and have successfully assisted 81 families into more suitable accommodation.

As part of this service, we have also been able to promote and develop community interaction and cohesion within the community by delivering a wide range of community activities in partnership with local community organisations and have accessed funding to deliver digital inclusion training as well as the provision of purchasing items for a sensory garden, polytunnel, greenhouse and growing equipment for our accommodation based schemes.

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

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 2022, along with comparative from March 2021 and Housemark benchmarking data were available, are set out below:

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

Corporate Theme 1 – Leading Employer

Corporate Theme 1 - LEADING EMPLOYER							
Key Performance Indicators					Results		
Description	Reporting Frequency	Indicator Range			Mar-22	Mar-21	Sector Averages Mar 21
Employee Investment							
Learning & Development Budget % Spent vs Budget	6 Monthly	<75%	75% - 84%	>85%	56%	83%	
% Employees Receiving Learning & Development Opportunities	6 Monthly	<90%	90% - 99%	100%	100%	100%	
% Staff Receiving Performance Coaching	6 Monthly	<90%	90% - 99%	100%	100%	100%	
Performance							
% Employee Retention	Quarterly	<80%	80% - 89%	>90%	91%	95%	88.7%
% Employee Sickness Absence	Quarterly	>6%	5% - 6%	<5%	3.8%	2.75%	
Employee Perceptions							
Staff feel satisfied with Ark Housing as a place to work	Annually	<70%	70% - 75%	>75%	83%		
Staff feel motivated, engaged & satisfied	Annually	<70%	70% - 75%	>75%	72%		
Staff feel recognised and rewarded	Annually	<70%	70% - 75%	>75%	66%		
Staff enjoy a healthy work-life balance	Annually	<70%	70% - 75%	>75%	79%		
Staff feel empowered and valued	Annually	<70%	70% - 75%	>75%	73%		

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

Corporate theme 2 – Better Homes, Greater Diversity

Corporate Theme 2 - BETTER HOMES, GREATER DIVERSITY							
Key Performance Indicators					Results		
Description	Reporting Frequency	Indicator Range			Mar-22	Mar-21	Sector Averages Mar 2021
Development & Acquisition							
Number of Units Started	Annually	<100	100 - 150	>150	186	232	
Number of Units Completed	Annually	<80	80 - 134	>135	68	59	
Stock Growth Rate	Annually	<15%	15% - 24%	>25%	11%	11%	6.3%
Compliance, Health & Safety							
% schemes with up to date fire alarm servicing	Quarterly	<90%	90% - 99%	100%	100%	100%	
% applicable properties with up to date gas safety cert	Quarterly	<95%	95% - 99%	100%	99%	100%	100%
% applicable properties with carbon monoxide alarms	Quarterly	<95%	95% - 99%	100%	98%	100%	
% all properties with up to date heating servicing	Quarterly	<95%	95% - 99%	100%	99%	99%	
% schemes with up to date Fire Risk Assessment	Quarterly	<95%	95% - 99%	100%	100%	100%	
% schemes with up to date legionella compliance	Quarterly	<95%	95% - 99%	100%	100%	100%	
% schemes with quarterly environmental inspection	Quarterly	<95%	95% - 99%	100%	100%	100%	
% schemes with up to date lift servicing inspection	Quarterly	<90%	90% - 99%	100%	100%	93%	
% properties with up to date 5-year fixed wire testing	Quarterly	<80%	80% - 99%	100%	95%	88%	
Disability Adaptations & Access							
% adaptation works orders completed within target	Quarterly	<70%	70% - 79%	>80%	63%	100%	
% adaptations processed within DfC target timeframe	Quarterly	<70%	70% - 79%	>80%	88%	71%	
% tenants satisfied with disability adaptation service	6 Monthly	<70%	70% - 79%	>80%	100%	100%	
Planned & Cyclical Maintenance							
% of planned & cyclical schemes completed on time	Annually	<80%	80% - 90%	>90%	50%	100%	
% tenants satisfied with planned maintenance	Annually	<70%	70% - 79%	>80%	86%		

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

Corporate Theme 3 – Engaged Communities, Greater Impact

Corporate Theme 3 - ENGAGED COMMUNITIES, GREATER IMPACT						
Key Performance Indicators					Results	
Description	Reporting Frequency	Indicator Range			Mar-22	Mar-21
Tenant & Community Engagement						
Tenant Engagement (Digital & Physical Engagements)	Quarterly	<6%	6% - 9%	>10%	27%	34%
Tenant Engagement (Sheltered & Supported)	Quarterly	<20%	20% - 29%	>30%	53%	60%
Tenant Engagement (General Needs)	Quarterly	<6%	6% - 9%	>10%	22%	18%
Tenant Engagement (Homeless)	Quarterly	<20%	20% - 29%	>30%	30%	
Tenant Engagement (Service & Policy Consultations)	Annual	<6%	6% - 9%	>10%	7%	
Tenant Engagement (Satisfaction Survey)	Annual	<20%	20% - 29%	>30%	40%	
Tenant Engagement (Menu of Involvement Register)	Annual	<6%	6% - 9%	>10%	6%	17%
Tenant Engagement (TBUC Events)	Annual	<25%	25% - 39%	>40%	60%	

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

Corporate Theme 4 – Service Excellence, Satisfied Customers

Corporate Theme 4 - SERVICE EXCELLENCE, SATISFIED CUSTOMERS							
Key Performance Indicators					Results		
Description	Reporting Frequency	Indicator Range			Mar-22	Mar-21	Sector Averages Mar 21
Repairs Service							
% Overall Repairs Performance		<70%	70% - 79%	>80%	93%		
% Emergency repairs completed within target	Quarterly	<76%	76% - 84%	>85%	97%	91%	
% Urgent repairs completed within target	Quarterly	<70%	70% - 79%	>80%	88%	87%	
% Routine repairs completed within target	Quarterly	<70%	70% - 79%	>80%	95%	91%	
Average Repair Time	Quarterly	>10 days	8 - 10 days	<8 days	5.25		8.5%
Allocations & Lettings Performance							
%Average Occupancy Rate (Total Stock)	Quarterly	<94%	94% - 95%	>96%	98%	98%	99.2%
%Total Void Units (Snapshot)	Quarterly	>4%	3% - 4%	<3%	1.48%	3%	1.8%
Average Relet Time	Quarterly	>25 days	21 - 25 days	<20 days	17	19	70
%Relet Performance	Quarterly	<70%	70% - 79%	>80%	80%	95%	
Average New Let Time	Quarterly	>5 days	1 - 5	0 days	1.9	81%	
%First Time Let Performance	Quarterly	<70%	70% - 79%	>80%	70%		
%Allocations (Transfers vs General Applicants)	Quarterly	>5% + / -	5% + / -	15% - 45%	27%	19%	
%Tenancy Fraud Prevalence	Quarterly	>2%	1% - 2%	<1%	0.49%	0.55%	
Tenant Satisfaction							
Anti-social Behaviour Prevalence	Quarterly	>4%	3% - 4%	<3%	4%		
Anti-social Behaviour Performance	Quarterly	<55%	55% - 69%	>70%	84%	90%	
Overall Customer Satisfaction Rate	Annual	<75%	75% - 84%	>85%	80%	92%	86%
Overall Repairs Satisfaction	Annual	<75%	75% - 84%	>85%	76%	97%	79%
Overall Quality of Home Satisfaction	Annual	<75%	75% - 84%	>85%	80%	93%	87%
Rent - Value For Money Satisfaction	Annual	<75%	75% - 84%	>85%	80%	90%	82%
Service Charge - VFM satisfaction	Annual	<75%	75% - 84%	>85%	75%	90%	
Satisfaction Rate (Homeless Services)	Annual	<75%	75% - 84%	>85%	75%		
Formal Complaints Prevalence	Quarterly	>4%	3% - 4%	<3%	1%		
Formal Complaints (1st Stage Resolution)	Quarterly	<70%	70% - 79%	>80%	90%	80%	
Formal Complaints (2nd Stage Resolution)	Quarterly	<70%	70% - 79%	>80%	100%	100%	
Formal Complaints (Ombudsman)	Quarterly	>5%	4% - 5%	<4%	0%	0%	
Homeless Services Capacity	Quarterly	<70%	70% - 79%	>80%	37%		
Homeless Services Throughput (Floating Support)	Quarterly	<30%	30% - 50%	>50%	33%		
Homeless Services Throughput (Accommodation)	Quarterly	<50%	50% - 100%	>100%	54%		
Supporting People Outcomes	Quarterly	<70%	70% - 80%	>80%	80%		

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

Corporate Theme 5 – Financial Assurance, Sustainability

Corporate Theme 5 - FINANCIAL ASSURANCE, SUSTAINABILITY							
Key Performance Indicators					Results		
Description	Reporting Frequency	Indicator Range			Mar-22	Mar-21	Sector Averages Mar 21
1							
Insolvency - Current Ratio	Quarterly	<1	1	>1	5.1	2.0	
Banking							
Bank Covenant Interest Cover (Ulsterbank)	Quarterly	<1.25	1.25	>1.25	3.4	2.6	
Gearing Ratio	Quarterly	>50%	50%	<50%	36%	25%	33.8%
Average Interest Rate	Quarterly	>5%	4.6% - 5%	<4.5%	1.7%	2.9%	
Performance							
Gross Margin	Quarterly	<39%	39% - 41.9%	>42%	44%	42%	
Net Margin	Quarterly	<24%	24% - 26.9%	>27%	24%	24%	23.5%
Return on Capital Employment	Quarterly	<1%	1% - 1.29%	>1.3%	1.5%	1.9%	
Management cost per unit	Quarterly	>£740	£674-£739	<£673	£745	£688	
Maintenance cost per unit	Quarterly	>£850	£774 - £849	<£773	£882	£922	
Income Management							
Rent & Other Charges Collected	Quarterly	<96%	96% - 97%	>98%	100%	101.5%	100%
Total Arrears (% against income debits)	Quarterly	>5.75%	5.5% - 5.75%	<5.5%	6.8%	7.50%	6.3%
Current Tenant Rent Arrears (% against income debits)	Quarterly	>4.5%	4.0% - 4.5%	<4%	4.9%	5.1%	
Former Tenant Rent Arrears (% against income debits)	Quarterly	>1.75%	1.5% - 1.75%	<1.5%	1.9%	2.4%	
Current Tenant (Technical Arrear) %	Quarterly	>2.8%	2.5%-2.8%	<2.5%	4.5%	4.7%	
Current Tenant (Net Arrear) %	Quarterly	>1.7%	1.5% - 1.7%	<1.5%	0.3%	0.4%	
Non Technical Arrears/Non-Technical Income	Quarterly	>5%	5%	<5%	1%	1.4%	
Void Loss (% against income debits)	Quarterly	>1.8%	1.5% - 1.7%	<1.5%	1%	4%	

By order of the Board

Jim McShane

Mr James McShane
Company Secretary

Belfast
27 June 2022

GMcG
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED FOR THE YEAR ENDED 31 MARCH 2022

We have audited the financial statements of Ark Housing Association Northern Ireland Limited (the 'Association') for the year ended 31 March 2022 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 2022 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED FOR THE YEAR ENDED 31 MARCH 2022

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.

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. 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 2022

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. This description forms part of our auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED FOR THE YEAR ENDED 31 MARCH 2022

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.

Nigel Moore

Mr Nigel Moore FCA
Senior Statutory Auditor

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

Date: 27 June 2022

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	2	4,564,915	3,886,193
Operating costs	2	(3,303,923)	(2,816,843)
Other Operating Income		119,272	-
Operating Surplus	7	1,380,264	1,069,350
Interest receivable and similar income	5	800	810
Interest payable and similar charges	6	(507,805)	(432,863)
Other finance (costs)/income	15	(34,000)	(25,000)
Additional Pension Service Costs	15	(287,000)	(134,000)
Gain on Property Disposal		-	165,648
Transfer to DPF		-	(150,852)
Surplus on ordinary activities		552,259	493,093
Actuarial gain/(loss) on pension scheme	15	647,000	(413,000)
Total comprehensive income for the year		1,199,259	80,093

All amounts above relate to continuing operations.

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

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Surplus for the financial year		552,259	493,093
Actuarial gain/(loss) on pension scheme	15	647,000	(413,000)
Issued share capital in year	16	-	3
Net changes in capital and reserve		1,199,259	80,096
Opening restricted reserve		7,768	-
Opening revenue reserve		4,255,133	4,182,808
Opening Capital	16,17	50	47
Closing total capital and reserves		5,462,210	4,262,951

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Housing properties - depreciated cost	8	73,756,325	53,754,313
Other tangible fixed assets	9	953,326	920,677
		74,709,651	54,674,990
CURRENT ASSETS			
Debtors	10	17,188,760	7,392,645
Cash at bank and in hand		4,791,421	1,734,366
		21,980,181	9,127,011
Creditors: amounts falling due within one year	11	(5,163,650)	(5,169,285)
Net Current Assets		16,816,531	3,957,726
Total Assets Less Current Liabilities		91,526,182	58,632,716
CREDITORS: amounts falling due after more than one year			
Creditors	12	(84,684,972)	(52,664,765)
Pension deficit	15	(1,379,000)	(1,705,000)
		(86,063,972)	(54,369,765)
NET ASSETS		5,462,210	4,262,951
Capital and Reserves			
Called up share capital	16	9	11
Capital reserve	17	41	39
Restricted reserves	19	98,100	7,768
Revenue reserve	18	5,364,060	4,255,133
TOTAL FUNDS		5,462,210	4,262,951

The financial statements on pages 21 to 42 were approved by the Board of Management on 27 June 2022 and were signed on its behalf by

Chair of the Board of Management
Mr Tom Doran

T Doran

Board Member
Mr Ian McAvoy

Ian McAvoy

Company Secretary
Mr James McShane

Jim McShane

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Net cash generated from operating activities	23	(494,648)	1,278,523
Cash flow from Investing activities			
Purchase of housing properties		(19,553,872)	(14,739,978)
Purchase of other fixed assets		(307,942)	(680,042)
House Sale		-	202,112
Capital grants received		9,635,815	11,968,438
		(10,225,999)	(3,249,470)
Cash flow from financing activities			
Loan principal repayments		(215,293)	(1,051,643)
Loan advances received		14,500,000	4,100,000
Shares		-	3
Interest Paid		(507,805)	(432,863)
Interest Received		800	810
Net cash from financing activities		13,777,702	2,616,307
Net (decrease)/increase in cash		3,057,055	645,360
Cash and cash equivalents at the beginning of the year		1,734,366	1,089,006
Cash and cash equivalents at the end of the year		4,791,421	1,734,366

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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 from tenants' fund of £10,309 is included in Operating Costs in the Statement of Comprehensive income for the year. In the prior year, the transfer to tenants' fund of £38,672 was shown as a separate line after Operating Surplus. 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 2021.

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%.

Depreciation is charged on a straight-line basis for the new office over 30 years.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONT'D)

1 Accounting Policies (Cont'd)

Land	Not depreciated
Structure (including roof)	100 years
Kitchen	20 years
Bathroom	25 years
Heating boiler	15 years
Heating system	30 years
Windows and doors	35 years
Electrics	35 years

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONT'D)

1 Accounting Policies (Cont'd)

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.

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 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.

1.14 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONT'D)

1 Accounting Policies (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONT'D)

Accounting Policies (Cont'd)

2 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONT'D)

2 Turnover, operating costs and operating surplus

	2022				2021		
	Operating Turnover	Operating Costs	Other Operating Income	Operating Surplus/ (deficit)	Operating Turnover	Operating Costs	Operating Surplus/ (deficit)
	£	£		£	£	£	£
Social Housing Activities	3,801,106	2,637,844	119,272	1,282,534	3,573,956	2,500,488	1,073,468
Non-Social Housing Activities	763,809	666,079	-	97,730	312,237	316,355	(4,118)
Total	4,564,915	3,303,923	119,272	1,380,264	3,886,193	2,816,843	1,069,350

Income from Social Housing

	Property Revenue	Sheltered	Supported	2022 Total Social Housing
	£	£	£	£
Rent receivable	2,383,125	255,102	277,657	2,915,884
Service Charges Receivable	127,253	108,033	158,098	393,384
Support Charges and other	-	28,795	7,194	35,989
Other Operating Income	119,272	-	-	119,272
Gross Income	2,629,650	391,930	442,949	3,464,529
Voids	(14,560)	(10,836)	(16,890)	(42,286)
Net Income	2,615,090	381,094	426,059	3,422,243
Grant released	372,592	32,241	93,302	498,135
Total Income	2,987,682	413,335	519,361	3,920,378
Operating Costs				
Services	103,178	89,079	127,133	319,390
Support	-	23,867	-	23,867
Rates Payable	293,472	40,849	-	334,321
Insurance	75,418	7,380	13,398	96,196
Management Costs	312,984	50,726	63,502	427,212
Maintenance Administration Costs	239,879	-	-	239,879
Planned and Cyclical Maintenance	62,725	20,622	11,050	94,397
Reactive Maintenance	154,088	34,032	28,161	216,281
Gardening	13,035	4,823	9,165	27,023
Component Disposals	16,729	7,028	2,091	25,848
Depreciation	645,882	64,100	118,328	828,310
Bad Debts	3,829	800	491	5,120
Total Operating Costs	1,921,219	343,306	373,319	2,637,844
Operating Surplus				1,282,534

Other Operating Income is for liquidated damages, received to cover loss of rent, due to delays in one scheme due to planning issues.

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

	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	2,150,102	409,117	714,546	3,273,765
Voids	(42,735)	(50,766)	(25,891)	(119,392)
Net Income	2,107,367	358,351	688,655	3,154,373
Grant released	297,553	28,481	93,549	419,583
Total Income	2,404,920	386,832	782,204	3,573,956
Operating Costs				
Services	72,242	92,460	145,752	310,454
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	192,339	39,363	61,188	292,890
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	4,937	494	2,310	7,741
Total Operating Costs	1,563,357	294,153	642,978	2,500,488
Operating Surplus				1,073,468

In the prior year, the transfer to tenants' fund of £38,672 was shown as a separate line within the Statement of Comprehensive Income. As per note 1.2, the transfer to tenants' fund in the current year has been recorded within Operating Costs, in line with the Housing SORP 2018. The comparatives have been re-presented in line with the current year, increasing service costs from £271,782 to £310,454 for year ended 31 March 2021. This has had nil impact on the overall results for year ended 31 March 2021.

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

Gross income from rents and service charges

2022	Property Revenue	Sheltered	Supported	Total Social Housing
	£	£	£	£
Technical	1,840,755	344,978	392,179	2,577,912
Non-technical	788,895	18,157	43,576	850,628
Total	2,629,650	363,135	435,755	3,428,540

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

DFC Allowances	**2022**	**2021**
	£	**£**
Management Allowances	178,200	151,272
Management Costs	(301,661)	(197,276)
Deficit	(123,461)	(46,004)
Maintenance Allowances	208,800	177,248
Planned and cyclical maintenance	(60,838)	(46,283)
Reactive Maintenance	(154,088)	(161,163)
Deficit	(6,126)	(30,198)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONT'D)

3 Turnover, operating costs and operating surplus (Cont'd)

Turnover, operating and operating surplus from non-social housing activities

	2022	2021
	£	£
Income	763,809	312,237
Total	763,809	312,237
Operating Costs		
Management Services	666,079	316,355
Total	666,079	316,355
Operating deficit	97,730	(4,118)

Housing Stock

Number of units owned on 31 March 2022	2022	2021
	£	£
General needs housing	450	382
Supported Housing	57	57
Sheltered Housing	74	74
Homeless	24	24
	605	537

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 (2021 – nil).

4 Employee Information

	2022	2021
Average monthly number of persons employed during the financial year by activity:		
Office	20	16
Support Staff	24	27
	44	43
Staff Costs		
Wages and salaries	935,154	872,130
Social security costs	81,066	65,108
Other pension costs	165,785	136,518
Agency costs	29,008	-
	1,211,013	1,073,756
Directors' Emoluments		
Aggregate Emoluments	157,755	157,167
Pension contributions	30,037	29,740
	187,792	186,907
CEO's Emoluments		
Aggregate Emoluments	77,076	76,637
Pension contributions	14,788	14,642
	91,864	91,279

Total Directors' Emoluments per Salary	Number	Number
£90,000 - £95,000	1	1
£60,000 - £65,000	3	3
	4	4

5 Interest receivable and similar income

	2022 £	2021 £
Interest receivable	800	810

6 Interest payable and similar charges

	2022 £	2021 £
Loan interest repayable	507,805	432,863

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONT'D)

7 Operating Surplus

	2022	2021
	£	£
This is stated after		
Depreciation	945,454	748,032
Amortisation of grant	(485,808)	(417,465)
Amortisation written off	(12,324)	(1,059)
Components written off	25,848	3,302
Operating Lease Rentals - land and buildings	4,512	41,520
Auditors' remuneration		
- audit services	7,800	7,800

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

	2022	2021
Cost		
At 1 April 2021	60,098,041	45,399,223
Additions	20,856,170	14,842,803
Disposals	(163,338)	(143,985)
At 31 March 2022	80,790,873	60,098,041
Accumulated depreciation		
At 1 April 2021	6,343,728	5,697,576
Charge for year	828,311	700,132
Disposals	(137,491)	(53,980)
At 31 March 2022	7,034,548	6,343,728
NBV at 31 March 2022	73,756,325	53,754,313
Net Book Amount Comprises:		
Completed Schemes	53,155,039	43,824,129
Schemes in Progress	20,601,286	9,930,184
	73,756,325	53,754,313

9 Other Tangible Fixed Assets

	House Furniture	Office Fixtures & Fittings	New Office	Office Refurb	2022 Total	2021 Total
	£	£	£	£	£	£
Cost						
At 1 April 2021	22,301	281,275	606,705	227,045	1,137,326	527,162
Additions	-	67,803		81,990	149,793	853,171
Disposals	-	(237,101)	-	-	(237,101)	(243,007)
At 31 March 2022	22,301	111,977	606,705	309,035	1,050,018	1,137,326
Accumulated depreciation						
At 1 April 2021	16,628	200,021	-	-	216,649	411,756
Charge for the year	5,673	60,344	20,223	30,904	117,144	47,900
Disposals	-	(237,101)	-	-	(237,101)	(243,007)
At 31 March 2022	22,301	23,264	20,223	30,904	96,692	216,649
Net book value						
At 31 March 2022	-	88,713	586,482	278,131	953,326	920,677

10 Debtors

	2022	2021
	£	£
Rental Debtors - Gross technical	154,529	133,271
Rental Debtors - Gross non-technical	76,734	78,611
Provision for Bad Debts	(53,630)	(53,630)
Net Rental (including rates and service charges)	177,633	158,252
Other Debtors	119,653	44,458
Prepayments	2,648,494	615,637
Housing Association Grants Receivable	14,242,980	6,574,298
	17,188,760	7,392,645

11 Creditors - amounts falling due within one year

	2022	2021
	£	£
Bank loans (note 14)	355,537	201,739
Rent, rates, service charges received in advance	69,680	63,635
Deferred Grant (note 13)	1,142,644	770,779
HAG in Advance	1,063,035	2,768,608
Contractors	55,140	349,246
Other Creditors	241,714	40,389
Accruals and Deferred Income	2,043,768	856,778
Payroll cost and Pension fund	41,280	36,809
Disposals proceeds fund	150,852	81,302
	5,163,650	5,169,285

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONT'D)

12 Creditors - amounts falling due after more than one year

	2022	2021
	£	£
Bank Loans (note 14)	28,695,430	14,745,744
Housing Association Grants (note 13)	55,989,542	37,768,169
Disposal proceeds fund	-	150,852
	84,684,972	52,664,765

13 Deferred Grant - Housing Association Grant

	2022	2021
Housing Association Grant	£	£
At 1 April 2021	43,016,821	28,315,823
Additions	19,091,368	14,782,949
Disposals	(122,519)	(81,951)
At 31 March 2022	61,985,670	43,016,821
Accumulated Amortisation		
At 1 April 2021	4,477,873	4,089,857
Charge for year	485,808	418,524
Disposals	(110,197)	(30,508)
At 31 March 2022	4,853,484	4,477,873
NBV at 31 March 2022	57,132,186	38,538,948
Released within one year	1,142,644	770,779
Released after more than one year	55,989,542	37,768,169
	57,132,186	38,538,948

14 Loans

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

	2022 £	2021 £
Bank loans - Housing property and other loans		
Less than one year	355,537	201,739
Between one and two years	361,035	256,011
Between two and five years	1,419,465	865,095
After more than five years	26,914,930	13,624,638
	29,050,967	14,947,483

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 £335,495 (2021 - £154,272) 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

	2022 (£000s)	2021 (£000s)	2020 (£000s)
Rate of salary increase	4.50%	4.20%	3.50%
Pension increases in payment	3.00%	2.70%	2.00%
Discount rate	2.70%	2.10%	2.30%
Pension accounts revaluation rate	3.00%	2.70%	2.00%

Mortality Rates

	2022 (Years)	2021 (Years)
Male - current pensioners	21.8	21.9
Male - future pensioners	23.2	23.3
Female - current pensioners	25.0	25.1
Female - future pensioners	26.4	26.5

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONT'D)

15 Retirement Benefits(continued)

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

	2022 (£000s)	2021 (£000s)
Equities	1,703	1,647
Government bonds	980	839
Property	397	316
Corporate bonds	87	430
Multi Asset Credit	520	-
Other	123	135
Cash	159	188

Reconciliation of funded status to balance sheet

	2022 (£000s)	2021 (£000s)
Fair value of assets	3,969	3,555
Present value of scheme liabilities	(5,348)	(5,260)
Deficit in scheme	(1,379)	(1,705)
Related deferred tax liability	-	-
Net pension deficit	(1,379)	(1,705)

Income and expenditure impact

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

	2022 (£000s)	2021 (£000s)
Current service cost	453	269
Interest on net liability	34	25
Income Statement Total	487	294
Asset gains/(losses) arising in the period	195	564
Liability gains/(losses) arising in the period	452	(977)
Other Comprehensive Income Statement Total	647	(413)

15 Retirement Benefits (continued)

Changes to the present value of obligations

	31-Mar-22 (£000s)	31-Mar-21 (£000s)
Opening obligation	5,260	3,954
Current service cost	453	269
Interest expense on obligations	110	91
Contributions by participants	57	47
Actuarial (gain)/loss on liabilities	(452)	977
Net benefits paid out	(80)	(78)
Closing obligation	5,348	5,260

Changes to the fair value of assets

	31-Mar-22 (£000s)	31-Mar-21 (£000s)
Opening fair value of assets	3,555	2,821
Interest income on assets	76	66
Remeasurement gains/(losses	195	564
Contributions by employer	166	135
Contributions by participants	57	47
Net benefits paid out	(80)	(78)
Closing fair value of assets	3,969	3,555

Actual return on assets

	31-Mar-22 (£000s)	31-Mar-21 (£000s)
Interest income on assets	76	66
Remeasurement gains/(losses)	195	564
Actual return on assets	271	630

16 Called up Share Capital

	2022 £	2021 £
Ordinary shares of £1 each, full paid		
At 1 April 2021	11	22
Allotted during the year	-	3
Transferred to capital reserve	(2)	(14)
At 31 March 2022	9	11

17 Capital Reserve

	2022 £	2021 £
At 1 April 2021	39	25
Transferred from share capital	2	14
At 31 March 2022	41	39

18 Revenue Reserve

	2022 £	2021 £
At 1 April 2021	4,255,133	4,182,808
Surplus for the year	461,927	485,325
Actuarial gain/(loss)	647,000	(413,000)
At 31 March 2022	5,364,060	4,255,133

19 Restricted Reserve

	2022 £	2021 £
At 1 April 2021	7,768	-
Surplus in year	90,332	7,768
At 31 March 2022	98,100	7,768

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 £38,145,664 (2021 - £25,815,015) have been contracted for as at 31 March 2022. 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 no commitments under operating leases (2021 - £10,380).

22 Related party disclosures

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

23 Notes to the Cash Flow Statement

	2022 £	2021 £
Net cash inflow from operating activities		
Operating surplus for the year	1,380,264	1,069,350
Depreciation of tangible fixed assets	945,454	748,032
Amortisation of grant	(485,808)	(418,524)
Amortisation written off	(12,327)	(1,059)
Components written off	25,848	3,302
Movement in debtors	(2,308,656)	(331,109)
Movement in creditors less than one year	(39,423)	208,531
	(494,648)	1,278,523

24 Analysis of Changes to Net Debt

	2021 £	Cashflows £	Other non cash changes £	2022 £
Long-term borrowings	(14,745,744)	(14,117,025)	167,339	(28,695,430)
Short-term borrowings	(201,739)	(167,682)	13,884	(355,537)
Total Liabilities	(14,947,483)	(14,284,707)	181,223	(29,050,967)
Cash and Cash Equivalents	1,734,366	3,057,055	-	4,791,421
Total net debt	(13,213,117)	(11,227,652)	181,223	(24,259,546)