

Co/ownership

Annual Report

2024-25



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1 | About

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

At Co-Ownership, our purpose is to make home ownership achievable for those who can't do it alone. Our vision is to lead the way in affordable home ownership, helping more people take their first steps onto the property ladder.

As a not-for-profit organisation, we exist to serve people. We have a strong social purpose and put people at the heart of everything we do, while maintaining a clear commercial focus to ensure sustainability and impact.

Our ambition is to broaden our reach and deepen our impact across society. We're committed to treating our customers fairly and with respect in every interaction. We understand that many people face barriers to buying a home, whether it's saving for a deposit, earning a low income, or having non-permanent employment.



It is a dream come true, because of Co-Ownership I now have my own home. I couldn't have done this without them. The staff are so friendly and helpful and I would honestly recommend Co-Ownership to anyone who is thinking about buying a house with them.

Gerry

We offer two pathways to support aspiring homeowners: Co-Own and Co-Own for Over 55s. Since 1978, we've helped over 34,000 people in Northern Ireland buy a home, and today, more than 10,500 people are living in homes they co-own with us.

2 | Chair and Chief Executive Report

Looking back over the last 12 months it's great to see the growth in the number of people we have helped, with 886 new customers, an increase of 15% over the year before.

That figure includes 28 customers we helped with our Co-Own for Over 55 product, now in its second full year of operation. Over the year 551 of our customers bought out our share and became full owners - a 23% increase from the previous year. This increase reflects a greater confidence in the housing market following the fall in interest rates and a lessening of the cost-of-living crisis. Listening to our customers however it's clear that they continue to face challenges in finding a suitable home. Mortgage rates have fallen since their peak in the year before, but house prices have continued to increase, and private rents have risen faster than anywhere else in the UK and significantly above inflation. The root cause of this has been the lack of supply in both the 'for sale' and private rented markets. It also reflects high levels of demand in the private rented sector caused largely by the inadequate supply of social homes.

It's clear we need to build more homes and more of those need to be affordable. That includes social homes and more homes for Co-Ownership customers. This requires government action and the return of government here and the publication of the Programme for Government was welcome news. The inclusion of a priority in the Programme for Government to deliver more affordable homes including those of Co-Ownership was an important milestone. It was also good to see the Housing Supply Strategy being agreed by the Northern Ireland Executive laying out a framework for the delivery of more affordable homes over the next 15 years and recognising the role of Co-Ownership.

We were delighted to agree a new 4-year funding arrangement with the government in April 2025. This will enable us to deliver 4,000 Co-Ownership homes over the next 4 years. The funding of £153m will fund 22% of each home bought with the remainder coming from our surplus, customers mortgages and deposits. This funding is a loan, Financial Transaction Capital, which will be repaid as our customers buy out, providing excellent value for money for government.

“ The process with Co-Ownership from start to finish was fantastic. They explained everything clearly. The website was easy to access and documents easy to upload. Any queries we had were answered quickly and fully. They helped us move from renting 20 years to finally have a property we can call our own. They are doing amazing things for those trying to get onto the property ladder.

Grainne

Co-Ownership is a form of shared ownership and one that is unique to the Northern Ireland housing market. Our customers can choose their own property anywhere in Northern Ireland which is a unique benefit of the Co-Ownership approach. Over the last few years, the lack of supply of new build homes has reduced our customers choice of homes. Last year only 18% of the homes we purchased were new build which was low compared with what we have seen over the last 10 years where the figure was between 30% and 40%. The cause is that the historically low number of new homes being built are targeted at a more expensive market.

To address this and general house price inflation, we agreed with the Department for Communities on an increase of the value of the properties we buy from £195,000 to £210,000, effective 1 April 2025, giving our customers a wider choice of homes.

As the new Local Development Plans are implemented across Northern Ireland, we will see mixed tenure becoming the default approach to residential development. This will provide our customers access to a greater number of affordable new-build homes and should see an increase in the number of new-build homes we purchase. Last year we saw the first mixed tenure development where homes would be available exclusively through Co-Ownership. Working with Apex Housing Association 70 homes are being built in their development at Black Ridge Hill in Belfast exclusively for our customers. This we expect will be the first of many such developments and in time will become a major source of homes for our customers.

To achieve what we do requires working with partners right across the housing industry. One critical element is ensuring our customers have access to a range of competitive mortgages. An important benefit Co-Ownership provides is that our customers can avail of mortgages that do not require a deposit. This is vital to many of our customers as having enough savings for a deposit is often as big a challenge as the cost of the mortgage. This year AIB joined Danske Bank and Progressive Building Society in providing no-deposit mortgages for our customers.

Internally, we continued our focus on delivering excellent customer service. We introduced a new digital buying out process, which has made the process easier for people who are considering buying a greater share of their home. Completing this phase of our digital programme means that our customers' journey from applying to buying us out is now fully digital. We use our membership of the Institute of Customer Service to benchmark and improve our service delivery and we were delighted that we have achieved the highest possible assessment of ServiceMark with Distinction. We are the only organisation in Northern Ireland to have achieved this.

“ Had an amazing experience buying a new home through Co-Ownership. The process was smooth and easy to deal with. They were incredibly helpful throughout the entire process. I am grateful for the support and highly recommend their services to anyone seeking Co-Ownership!

Cristina

That we deliver great customer service is of course due to the great team of people that work in Co-Ownership. We work constantly to create an engaged, skilled and high performing team and we were delighted that in December our work in this area was recognised when we received Investors in People Gold.

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

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



Mark Graham
Chief Executive



Derek Wilson
Chair



I am so happy (and relieved) to have purchased a home with Co-Ownership. For solo buyers on modest incomes, this is a lifeline. Housing security is a basic human need. It's wonderful to finally have a place to call my own.

Clare

3 | Year at a Glance 2024-25



£136m

Total value of homes purchased



£153,719

Average purchase price



886

Homes purchased



18%

New build properties



97%

Net Promoter Score



10,844

Total co-owners



551

Customers bought out

Co-Own customer profile

858

People helped

34

Average age

49%

From rental market

91%

First time buyer

£27,055

Annual earned income



Over 55s customer profile

28

People helped

65

Average age

46%

From rental market

50%

Retired

£94,584

Customer contribution

Co/ownership

4 | Performance Highlights

Applications

A total of 2,008 applications were received for Co-Own during 2024-25 compared to 1,668 applications in 2023-24. This represents an increase of 20%. 52 applications for Co-Own for Over 55s were received during 2024-25.

Property purchasing activity

Overall, 886 Co-Ownership customers received keys to their home. The total value of homes purchased was £136m. In total, we ended the year with stock of 10,844 Co-Ownership homes.

House prices

During 2024-25, the average Co-Ownership purchase price was £153,719. The average price for new build properties was £179,670 and £148,173 for existing build properties. The average purchase price for a property in Northern Ireland was £184,530 as of March 2025 (Source: NISRA NI House Price Index, January to March 2025).

New build housing

During 2024-25, 156 of the 886 Co-Ownership properties purchased overall were new builds (18%). Armagh, Banbridge and Craigavon council area recorded the highest volume of new build completions during 2024-25. New build purchases were recorded across all council areas.



Semi-detached
52%



Terrace/Townhouse
34%



Apartment
9%



Detached
5%

Property Type

Overall, semi-detached remained the most purchased property type during 2024-25; more than half of Co-Ownership customers purchased this property type (52%). This was followed by terrace townhouses (34%), apartments (9%) and detached (5%).

Property value limit

Following in-year review, the property value limit for Co-Ownership increased from £195,000 to £210,000 on 1 April 2025.

Deposit

During 2024-25, half of Co-Own purchasers were able to access home ownership without a deposit (50%). The average deposit amount for a Co-Own customer during 2024-25 was £11,820 whilst the average deposit amount for first time buyers in Northern Ireland was around three times higher at around £37,898[1].

First time buyers

During 2024-25, 91% of Co-Own purchasers were first time buyers while 9% were returning homebuyers.

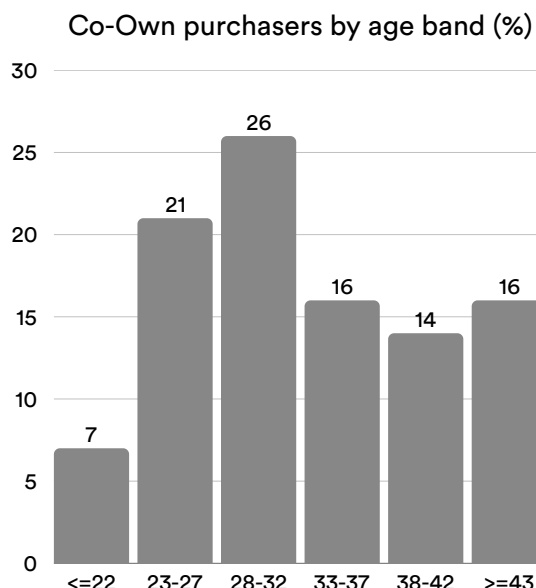
Age

The average age of a Co-Own customer during 2024-25 was 34[2] (up slightly from 33 during 2023-24).

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

Earnings

During 2024-25, the median gross annual earnings for a Co-Own customer was £27,055[2]. This represents an increase of 2% from last year.



Previous tenure

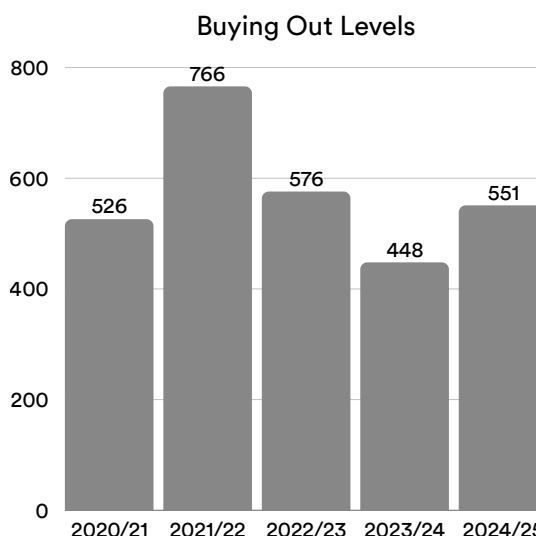
Of those Co-Ownership customers who received keys to their home during 2024-25, there was almost an even split between those who had previously been living with friends/family (48%) and the private rented sector (49%). A small number of purchasers had previously been homeowners (2%) or in social housing (1%)[2].

Buying out

During 2024-25, 551 Co-Ownership customers fully bought out the remaining share in their property. There were 102 part buy outs recorded, up from 68 during 2023-24.

Rent to Own

During 2024-25, 7 Rent to Own tenants purchased a property. 6 bought with a full mortgage and 1 bought with Co-Own.



[1] Halifax, 2024

[2] Lead applicant

5 | Environmental, Social and Governance report

We continue to recognise the wider impact of our work and make a positive impact on society whilst minimising our environmental footprint. The practical application of our values “putting customers first” and “doing the right thing” is evident through our strong focus on Environmental, Social and Governance, (ESG).

a) Environmental

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

Throughout the year we continued to develop our staff through training on energy efficiency and carbon literacy. This enabled us to further develop and improve the information we deliver to customers on energy saving measures to support them with the rising cost of living. In the period, we launched targeted grant schemes to support customers in improving the energy efficiency of their homes.

Additionally, we continued our environmental efforts under the framework of our Business in the Community CoRe accreditation, the standard for responsible business in Northern Ireland. We were delighted to increase to Silver in their annual environmental survey.

b) Social

In the year we continued to extend our reach into the wider community through distribution of our Community Fund which makes available grants up to a total of £20,000 annually. Additionally, we seek to make a positive contribution to society through our corporate fundraising, and volunteering with local organisations. The community fund for 2024-25 was awarded to Street Soccer NI; Housing Rights; and Tempo Community Association. The recipients were chosen for their innovative approaches to addressing issues such as homelessness, social inclusion, and youth development.



This grant from Co-Ownership is a big boost for our Youth Empowerment Initiative. By supporting our young people, we're also investing in the future of our community, helping them develop skills and reach their potential. Our initiative will enhance the social, mental, and physical well-being of our youth and strengthen community ties.

Tempo Community Association



We continued our partnership with Belfast Mela, remaining a Friend of Mela and supporting them in their celebration of diversity and encouraging inclusion. We had 16 staff use paid volunteer leave delivering 123 hours of volunteer help to various charities. This included an organised event where staff spent a day preparing welcome packs for Simon Community.

c) Fundraising

Once again, our staff demonstrated their generosity and team spirit by getting involved with our fundraising events for our chosen charity, the Children's Heartbeat Trust, raising over £6,000 in the period by taking part in various fundraising events.

We also continued our Christmas gift partnership with Barnardo's Family Bereavement Service. Staff continued to show great generosity with Christmas gifts and vouchers to support families who have been impacted by bereavement.

In the year, we also introduced a fund of up to £6,000 per annum which is available for worthy causes nominated by staff. Recipients in the period included Mitchell House School, Street Soccer NI, Therapy Dogs Nationwide, Cranagh & Aghagallon Club, Extern, Carrickfergus Senior Gateway Club, Children in Crossfire, Bolster, Cancer Fund for Children, Action Deaf Youth, Welcome Church, 81st Belfast Scouts, Carrickfergus Central PS PTA, Cavaliers in Need, Kevin Bell Repatriation Trust, Charis Youth Club, SOS Bus. It's great that we are further increasing our impact in the community through these efforts.



Being able to purchase our home with Co-Ownership has allowed me to provide a home for my daughter which is within walking distance to the local school and very central to everything. It has given us a foundation to build our family life.

Donna

d) Governance

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

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

As non-executives, the Board delegates day to day responsibility for the operation of the business to the executive management team via a Delegated Authority policy clearly outlining board and executive responsibilities. The Board met six times in the year with an overall attendance rate of 69%. Individual Attendance rates for Board and Committee meetings are below:

| | |
|---|-----|
| David Little (Stood down in the year) | 90% |
| Norman McKeown | 75% |
| Philip Price (Stood down in the year) | 85% |
| Audrey Fleming | 90% |
| Alastair Coulson | 70% |
| Jordan Buchanan | 90% |
| Alan Ledlie | 36% |
| Nicola McCrudden (Stood down in the year) | 42% |
| Gillian Greer | 70% |
| Derek Wilson | 93% |
| Daniel Egerton | 50% |
| Paul Buggy | 70% |
| Andrea McKellar | 91% |
| Angela Wiggam | 81% |

Gender balance on the board is 36% female, 64% male. We noted a number of departures from the Board in the year, our chair David Little as well as Philip Price and Nicola McCrudden. We thank them for their professionalism and insight during their tenure and shall miss their expertise.



Co-Ownership enables people of all ages to buy their first home. I bought my first home through Co-Ownership and now, decades later, I have just bought my final home through them. I would recommend Co-Ownership completely. I will always be grateful to them for smoothing the often rocky road to home ownership.

Elizabeth



6 | Risk Management

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

The Risk Appetite Statement is subject to regular review and in the 2024-25 period, the Board reviewed it to ensure it remained appropriate. The Board also regularly review the operating environment to ensure emerging risks are identified and, in the year, our Corporate Risk Register was also subject to a thorough review, including a re-evaluation of impacts and risk descriptions.

| Risk Description | Mitigation | Trend |
|--|---|--------|
| Information Security breach caused by failure of people, systems or processes, leading to regulatory censure, financial costs and reputational damage. | <ul style="list-style-type: none"> • ISO 27001 Information Security Accreditation. • Managed detection and response services. • Business continuity and cyber incident response plans. | Rising |
| Failure to innovate | <ul style="list-style-type: none"> • Continuing monitoring and engagement on local development plans. • Regular engagement with DfC on housing policy. • Periodic review of product criteria to ensure they continue to meet customer need. | Stable |
| Failure to maintain and develop our digital platforms | <ul style="list-style-type: none"> • Appropriate governance and oversight. • Strategic review of ICT provision. • Regular review of digital delivery plan. | Rising |
| Economic and Housing market conditions | <ul style="list-style-type: none"> • Regular review of forecast interest rates. • Hedging line in place for interest rate movements on bank debt. • Ongoing monitoring of developments in the housing sector. • Monthly tracking and review of property prices. | Stable |
| Failure to attract and retain staff | <ul style="list-style-type: none"> • Implementation of HR Strategy. | Stable |

7 | Audit, Risk and Governance Committee Chair's report

The Audit, Risk and Governance Committee met four times in the year, supporting the Board by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the findings and recommendations of any authorised investigations.

Key areas of focus included:

- Regular review of risks to ensure appropriate mitigations are in place.
- Operational resilience, IT and information security, including the continuing cyber threat.
- Review of internal audit reports and resulting actions, plus development of the internal audit plan.
- Review and agreement on the approach to external audit and timeline for external audit.
- Review and approval of regulatory returns.
- Reviewing insurance cover to ensure appropriate levels were in place.
- Review and approval of updates to governance policies.

The Committee was satisfied that the control environment remained robust, resulting in a satisfactory level of assurance, the highest possible rating from internal audit, as well as a clean audit result following external audit by BDO.

Overall, the Committee is satisfied with adherence to audit, risk and governance requirements.



Andrea McKellar
Chair of Audit, Risk and Governance Committee

Andrea McKellar was appointed Chair of the Committee in September 2024.

8 | Finance and Performance Committee Chair's report

The Finance and Performance Committee met six times during the year to support the Board on various matters, primarily focusing on finance and operations.

In terms of finance, the Committee addressed financial risk management, maximising funding opportunities, ensuring compliance with funding terms, overseeing treasury management, maintaining budgetary control, and managing procurement processes. On the operations side, the Committee reviewed the organisation's operational performance to ensure effectiveness and alignment with strategic goals.

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

- Financial and operational performance.
- DfC and private funding levels and covenant performance.
- Review and approval of various business cases.
- Review of audited accounts and auditors report.
- Review of Legal and Contract Registers.
- Review of Climate Action Plan.
- Oversight of the Digital program and ICT performance.
- A strategic review of ICT service provision.

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



Norman McKeown
Chair of Finance and Performance Committee

9 | Human Resources Committee Chair's report

The HR Committee met four times in the year supporting the board on organisational structure and resourcing, staff employment terms and conditions, board and staff learning and development, grievance and disciplinary matters.

The committee assists with ensuring the Board retains an appropriate structure, size and balance of skills and supports on Executive level recruitment, performance and remuneration. In addition, liaising on various matters relating to the management and development of Human Resources strategy, policy and practices within the organisation, both statutory and in terms of good practice/public policy directives.

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

- Board recruitment, ensuring the Board retains an appropriate structure, size and balance of skills.
- Executive performance and remuneration.
- Board Training & Development.
- HR Policy Review.
- Workforce Planning.
- Review and oversight of the People Strategy and Action Plan including Health & Wellbeing.

The Committee were pleased to note many areas of best practice, including the investment in ongoing development of employees across the organisation, reflected in the reaccreditation by the Institute of Customer Service, with distinction.

It is important to highlight the continued success of the Extra Milers recognition scheme, which clearly demonstrates employees' alignment with the company values and shared vision. This year's outstanding achievement was Co-Ownership being awarded the Investors in People Gold accreditation, recognising the high employee engagement, collaboration, and supportive culture that is Co-Ownership.

Audrey Fleming
Chair of Human Resources Committee

10 | Board Members



David Little
Former Chair



Derek Wilson
Chair



Gillian Greer
Vice Chair



Philip Price



Alastair Coulson



Norman McKeown



Jordan Buchanan



Alan Ledlie



Nicola McCrudden



Audrey Fleming



Daniel Egerton



Paul Buggy



Mark Spence



Angela Wiggam



Andrea McKellar

11 | Financial Performance

Co-Ownership has produced a group surplus of £22m for the year ended the 31 March 2025, which compares favourably to a surplus of £17.9m in the previous financial year. This surplus will be used to help more people into home ownership next year.

a) Financial Performance

Income increased by 20% to £52.5m, primarily reflecting a 26% increase in turnover from the sale of homes to £35.7m, resulting from an increase in customer staircasing activity.

Staircasing activity was stronger, despite only a modest drop in mortgage interest rates with staircasing volumes being 23% higher and resulted in a £3m increase in surpluses on the sale of housing properties to £7.8m.

Following an impairment review a further provision release of £1.1m added to the surplus, as house prices continued to increase and repossessions levels being very low throughout the year.

Rental income increased by 8% to £16.6m with the number of homes benefitting from Co-Ownership's help increasing by 321 to 10,844.

Operating Costs were £0.3m higher at £5.7m, primarily reflecting an increase in valuation and marketing activities and higher IT maintenance costs. Interest receivable on investments were impacted by lower deposit rates and decreased by £0.3m to £3.2m.

b) Financial Positioning

The balance sheet remains strong, with net assets having increased by £22m to £181m by 31 March 2025.

During 2024-25 the Group helped new customers by investing £56m into homes, which together with customer contributions of £80m represented a £136m investment in the Northern Ireland property market. After taking account of staircasing, the Group's investment in housing properties increased to £544m at the year end.

Cash and deposit balances increased by £2m to £77m and provide good liquidity for the operations into the future.

c) Funding

The investments in housing property has been funded by a combination of loans from the Department for Communities alongside bank borrowings and surpluses.

The Department for Communities continued support for affordable housing through the provision of £22m of Financial Transaction Capital during the year. In April 2025, funding agreements were signed with the



Department for Communities to provide a further £153m of Financial Transactions Capital loan funding, which will enable Co-Ownership to help 4,000 households buy their own home over the next four years. During 2024-25 sales proceeds generated £10.4m of grant repayable to the Department for Communities and in addition Co-Ownership also made £5m of loan repayments to the Department.

Loan facilities totalling £65m are in place with Bank of Ireland until 2029 with £30m of this facility having a fixed interest rate for the term of the loan. The bank debt was drawn at £30m at the year end.

Conclusion

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

Summary of our Value for Money Report

Impact on Customer Service

Co-Ownership delivered outstanding customer service with a Net Promoter Score of 97 and a Trustpilot rating of 4.95. Co-Ownership became the only organisation in NI to achieve ICS ServiceMark with distinction. Approvals for Co-Own were efficiently processed averaging 2 working days for initial approval and 11 for final offers. Recognising the importance of managing energy costs for customers we have enhanced our customer proposition to include an energy Advice Hub with our team able to give practical advice and offer EPCs and energy efficiency grants.

Impact on Operations

Co-Ownership enhanced its customer portal by digitising the buyout process, improving the overall user experience. ICT systems remained secure and resilient, with ISO 27001:2022 accreditation reaffirmed and a long-term target operating model identified through a strategic review. Strong governance was maintained, and staff investment was recognised with Investors in People Gold Award.

Impact on Resources

Co-Ownership secured a new four-year programme to deliver 4,000 more homes. Government funding represented only 25% of the cost of homes but has leveraged mortgage and private finance. Operating costs remained low at 34p per £1 of rent collected, and rent collection stayed at 100%. All government funding is being repaid in full.

Impact on Community

Co-Ownership supported the delivery of mixed tenure developments and invested £136m in residential property purchases, boosting housing supply. Interest grew in our Over 55s shared ownership product, and we are developing a new offering to support disabled homebuyers. Engagement with lenders has increased access to no-deposit mortgages, and research is underway to review our property value limits.



Financial Statements

**Northern Ireland Co-Ownership Housing
Association Limited
Annual report and financial statements
for the year ended 31 March 2025**

Northern Ireland Co-Ownership Housing Association Limited

Annual report and financial statements for the year ended 31 March 2025

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Northern Ireland Co-Ownership Housing Association Limited

Board of management and advisers

Board of management

Derek Wilson (Chair)
 Jordan Buchanan
 Paul Buggy
 Alastair Coulson
 Daniel Egerton
 Audrey Fleming
 Gillian Greer
 Alan Ledlie
 David Little (resigned 26 September 2024)
 Nicola McCrudden (resigned 26 September 2024)
 Andrea McKellar (co-opted 11 April 2024, appointed 26 September 2024)
 Norman McKeown
 Philip Price (resigned 26 September 2024)
 Mark Spence (co-opted 10 April 2025)
 Angela Wiggam (co-opted 11 April 2024, appointed 26 September 2024)

Chief executive

Mark Graham

Secretary

Gillian Hughes

Registered office

Moneda House
 25-27 Wellington Place
 Belfast
 BT1 6GD

Bankers

Bank of Ireland
 1 Donegall Square South
 Belfast
 BT1 5LR

Independent auditors

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

Solicitors

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

Cleaver Fulton Rankin Limited
 50 Bedford Street
 Belfast
 BT2 7FW

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report

The Board of Management ("Board") presents its report, including its strategic report, for the year ended 31 March 2025 for Northern Ireland Co-Ownership Housing Association Limited ("Co-Ownership") and its subsidiary (together the "Group"). The wholly owned subsidiary of Co-Ownership is called Ownco Homes Limited ("Ownco").

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

1. Strategic

Principal activity

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

Our Purpose: To enable people to become homeowners.

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

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

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

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

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

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

Review of business and future developments

During the year Co-Ownership helped customers purchase a total of 886 (2024: 771) properties and as a result the housing property portfolio increased in value from £513m to £541m. Staircasing activity levels were stronger, despite only a modest reduction in mortgage rates, with 551 full property sales transactions (2024: 448) and 102 partial staircases (68: 2024). The level of repossession sales remained low and totalled 14 for the year (2024: 9). At 31 March 2025 Co-Ownership had interests in 10,844 homes (2024: 10,523).

The Board continues to explore opportunities for enhancement of its services going forward, in response to a changing housing market. Interest in the Over 55 product, launched in 2022, has grown and 28 households were helped into their new home during the year bringing the total since launch to 51. The customer portal was enhanced during the year with the digitisation of the buyout process, and this has streamlined the customer experience for those wishing to staircase.

The underlying need for affordable homes in Northern Ireland remains strong, although a lack of supply of homes and economic uncertainty are challenges home buyers will continue to face in the year ahead. Changes to Local development plans by Councils should result in more mixed tenure developments being built and Co-Ownership will continue to advocate the need for more intermediate housing. Research into the barriers faced by disabled people to become homeowners has been conducted and it is hoped a new product will be launched next year.

Ownco purchased 3 houses during the year, bringing the total purchased to 88. There were 11 property sales in the year, leaving 16 houses held in stock at 31 March 2025. Given the low levels of purchases in recent years, the decision to stop taking new applications was taken in April 2025. The existing tenancies are unaffected.

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report (continued)

2. Financial

Financial performance

The surplus for the year amounted to £22.0m (2024: surplus £17.9m). The increase is primarily due to an increase in the surplus on the sale of housing properties to £8.9m (2024: £5.5m) as detailed in note 9, and an increase in rents to £16.6m (2024: £15.4m).

The Department for Communities (DfC) provided Co-Ownership with Financial Transaction Capital of £22m by way of long term loans during the year, which together with Co-Ownership's own resources funded the investment in homes. In April 2025, funding agreements were signed with the Department for Communities to provide a further £153m of Financial Transactions Capital loan funding, which will enable Co-Ownership to help a further 4,000 households buy their own home over the next four years. During the year sales proceeds generated £10.4m of Housing Association Grant (HAG) repayable to DfC and in addition Co-Ownership made £5m of loan repayments to DfC.

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

At the year-end the Group had cash and deposit balances of £77m (2024: £75m), net current assets of £68m (2024: £68m) and total net assets of £181m (2024: £160m).

Co-Ownership's policy is to retain a level of free reserves, which matches its needs at the current time and in the foreseeable future. The reserves required are sufficient to meeting committed running costs for a period equivalent to six months budgeted future expenditure. The rental income is anticipated to be £17m in the next financial year.

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

Events after the Balance Sheet date

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

Value for Money (VfM)

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

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

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

- The number of home acceptances issued was 891 (target 900).
- The average home purchase price was £153,719 (target £154,500).
- The average customer starter share was 59% (target 57%).
- The number of customers who bought out was 551 (target 450).
- The average time taken to provide an initial approval to applicants was 2 days (target 5 days).
- The average time taken to issue an acceptance was 11 days (target 19 days).
- The net promoter score for customers who would recommend Co-Ownership was 97% (Target 75%).

The Board consider that Co-Ownership provided good value for money to both its customers and its stakeholders during the last year, particularly given the challenges facing the housing market in Northern Ireland.

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report (continued)

3. Environmental and Social

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

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

- Developing some pathfinder initiatives for home energy improvements.
- Offering energy efficiency grants and providing 'Energy Performance Certificates' (EPC) to customers.
- Providing further training to staff on domestic low carbon technologies.
- Educating staff on how to save energy in homes, with the assistance of National Energy Action.
- Running an energy savings week for customers, providing tips and ideas on how to conserve energy.
- Gathering information on the energy efficiency and energy sources of the homes the Group has interests.

Energy and carbon reporting

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

| UK Greenhouse gas emissions and energy use data | 24/25 | 23/24 |
|---|---------------|----------------|
| Energy consumption used to calculate emissions (kWh) | 98,191 | 101,169 |
| Scope 2 emissions in metric tonnes CO₂e | | |
| Purchased electricity | 34 | 31 |
| Total gross emissions in metric tonnes CO ₂ e | 34 | 31 |
| Intensity ratio tonnes CO ₂ e / £m revenue | 0.64 | 0.62 |

The organisation utilises a "Green Tariff" which provides 100% renewable energy, although the above information applies the energy supplier's average across all fuels. Emissions are similar to last year.

The Group's only reportable energy was purchased electricity. To determine emissions for the year ended 31 March 2025, the Group used a methodology compliant with the Greenhouse Gas ('GHG') Protocol. Electricity consumption was based on actual data, obtained from supplier invoices, meter readings and online supplier portal data. The collected consumption data is then converted into greenhouse gas emissions associated with each activity using annually updated emission factors from our supplier.

Social

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

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

- 87% agreed or strongly agreed they felt part of the community where they lived.
- 85% agreed or strongly agreed they felt their health and wellbeing had improved.
- 80% agreed or strongly agreed they could live near family and friends.
- 94% agreed or strongly agreed they felt more independent.
- 79% agreed or strongly agreed they felt financially secure.

The Community Fund supported four different groups across Northern Ireland and together with funding raising initiatives resulted in Co-Ownership making charitable donations of £26,250 (2024: £21,590) during the year. No donations for political purposes were made during the year (2024: £Nil).

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report (continued)

4. Governance

Co-Ownership is governed by the Board, which is made up of non-executive directors elected by the shareholders. The Board complies with a code of governance based on the National Housing Federation model code of governance.

The Board of Management have complied with the duty to have regard to the guidance issued by the Charity Commission for Northern Ireland under section 4 of the Charities Act (Northern Ireland) 2008.

The Board and executive directors

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

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

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

Internal control

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

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

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

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

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

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

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report (continued)

Internal control (continued)

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

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

Financial risk management

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

Credit risk

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

Price risk

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

Interest rate risk

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

Non- financial risk management

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

Operational risk

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

Market risk

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

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report (continued)

Non- financial risk management (continued)

Environmental risk

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

Health and safety

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

Human resources

The Group's most important resource is its people; their knowledge and experience are crucial to meeting customer requirements and organisational objectives. The team delivering these requirements and objectives, at 31 March 2025, comprised 60 employees and the Board which comprised 11 members. Co-Ownership holds an Investor in People accreditation reflecting the good management of its people. Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures are in place to maintain standards of performance.

Regulation

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

| <i>Area of operations:</i> | <i>Rating:</i> |
|----------------------------|------------------------|
| Financial Standard | Meets the requirements |
| Governance Standard | Meets the requirements |
| Overall | Meets the requirements |

Statement of the Board of Management's responsibilities

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

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

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that Co-Ownership will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Co-Ownership and to enable them to ensure that the financial statements comply with the Industrial and Provident Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. It has general responsibility for the taking of reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management for the year ended 31 March 2025 (continued)

Statement of disclosure of information to auditors

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

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

Independent auditors

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

By order of the Board

Derek Wilson
Chair of the Board of Management

25 September 2025

Northern Ireland Co-Ownership Housing Association Limited

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

Opinion on the financial statements

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the consolidated and Co-Ownership statements of comprehensive income, the consolidated and Co-Ownership statements of changes in reserves, the consolidated and Co-Ownership statements of financial position as at 31 March 2025 and the consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

- give a true and fair view of the state of the group's and of the Co-Ownership's affairs as at 31 March 2025 and of the group's and Co-Ownership's surplus and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, The Charities Act (Northern Ireland) 2008, The Housing (Northern Ireland) Order 1992, The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 and The Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

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

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

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

Northern Ireland Co-Ownership Housing Association Limited

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

Other information

The Board of Management are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Board of management for the financial statements

As explained more fully in the Statement of the Board of Management's responsibilities, the Board of management is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Northern Ireland Co-Ownership Housing Association Limited

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

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

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

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

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

Other required reporting

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

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

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

We have no exceptions to report arising from this responsibility.

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

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

- sufficient accounting records have not been kept in respect of the Co-Ownership.
- the Co-Ownership's financial statements are not in agreement with the accounting records.
- we have not received all the information and explanations we require for our audit; or
- information contained in the financial statements is inconsistent in any material respect with the report of the Board of Management for the year ended 31 March 2025.

We have no exceptions to report arising from this responsibility.

Northern Ireland Co-Ownership Housing Association Limited

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

Use of this report

This report is made solely to the Co-Ownership as a body in accordance with section 43 of The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, section 65 of The Charities Act (Northern Ireland) 2008, regulations made under 66 of that Act (Part 4 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015), and article 19 of The Housing (Northern Ireland) Order 1992 and for no other purpose. Our audit work has been undertaken so that we might state to the group's and the Co-Ownership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the Co-Ownership and the group's and the Co-Ownership's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date: 25 September 2025

Northern Ireland Co-Ownership Housing Association Limited

Consolidated statement of comprehensive income for the year ended 31 March 2025

| | Note | 2025 £ | 2024 £ |
|--|------|---------------------|--------------|
| Turnover | 5 | 52,476,164 | 43,779,049 |
| Cost of sales | 5 | (28,285,975) | (23,402,324) |
| Operating costs | 5 | (5,739,159) | (5,457,071) |
| Release of impairment of housing properties | 13 | 1,100,000 | 700,000 |
| Operating surplus | 6 | 19,551,030 | 15,619,654 |
| Gain/(Loss) on disposal of housing properties | 9 | 326,028 | (142,225) |
| Interest receivable and similar income | 10 | 3,210,795 | 3,492,123 |
| Interest payable and similar charges | 11 | (1,071,343) | (1,081,596) |
| Surplus before tax | | 22,016,510 | 17,887,956 |
| Taxation | 12 | (15,810) | (8,138) |
| Surplus for the financial year | | 22,000,700 | 17,879,818 |
| Actuarial movement recognised in pension scheme | 24 | (152,000) | (15,000) |
| Total comprehensive income for the financial year | | 21,848,700 | 17,864,818 |

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

Consolidated statement of changes in reserves for the year ended 31 March 2025

| | Note | 2025 £ | 2024 £ |
|---|------|--------------------|-------------|
| Surplus for the financial year | | 22,000,700 | 17,879,818 |
| Actuarial movement recognised in pension scheme | 24 | (152,000) | (15,000) |
| Share capital cancelled | | (1) | - |
| Net movement in capital and reserves | | 21,848,699 | 17,864,818 |
| Opening total capital and reserves | | 159,603,342 | 141,738,524 |
| Closing total capital and reserves | | 181,452,041 | 159,603,342 |

Northern Ireland Co-Ownership Housing Association Limited

Co-Ownership statement of comprehensive income for the year ended 31 March 2025 *(Association only)*

| | Note | 2025 £ | 2024 £ |
|--|------|---------------------|--------------|
| Turnover | 5 | 50,353,871 | 42,220,610 |
| Cost of sales | 5 | (26,520,746) | (22,151,893) |
| Operating costs | 5 | (5,675,758) | (5,376,137) |
| Donations received | 33 | 475,000 | 500,000 |
| Release of impairment of housing properties | 13 | 1,100,000 | 700,000 |
| Operating surplus | 6 | 19,732,367 | 15,892,580 |
| Gain/(Loss) on disposal of housing properties | 9 | 326,028 | (142,225) |
| Interest receivable and similar income | 10 | 2,969,228 | 3,171,205 |
| Interest payable and similar charges | 11 | (1,071,343) | (1,081,596) |
| Surplus for the financial year | | 21,956,280 | 17,839,964 |
| Actuarial movement recognised in pension scheme | 24 | (152,000) | (15,000) |
| Total comprehensive income for the financial year | | 21,804,280 | 17,824,964 |

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

Co-Ownership statement of changes in reserves for the year ended 31 March 2025 *(Association only)*

| | Note | 2025 £ | 2024 £ |
|---|------|--------------------|-------------|
| Surplus for the financial year | | 21,956,280 | 17,839,964 |
| Actuarial movement recognised in pension scheme | 24 | (152,000) | (15,000) |
| Share capital cancelled | | (1) | - |
| Net movement in capital and reserves | | 21,804,279 | 17,824,964 |
| Opening total capital and reserves | | 158,796,549 | 140,971,585 |
| Closing total capital and reserves | | 180,600,828 | 158,796,549 |

Northern Ireland Co-Ownership Housing Association Limited

Consolidated statement of financial position as at 31 March 2025

| | Note | 2025 £ | 2024 £ |
|--|------|----------------------|----------------------|
| Fixed assets | | | |
| Housing properties | 13 | 544,026,359 | 517,312,756 |
| Other tangible assets | 15 | 293,232 | 264,301 |
| | | 544,319,591 | 517,577,057 |
| Current assets | | | |
| Stock | 17 | 2,995,870 | 1,959,660 |
| Debtors | 18 | 1,363,837 | 1,717,229 |
| Investments | 19 | 69,481,816 | 68,757,253 |
| Cash at bank and in hand | | 7,778,477 | 6,174,772 |
| | | 81,620,000 | 78,608,914 |
| Creditors: amounts falling due within one year | 21 | (14,097,584) | (10,366,680) |
| Net current assets | | 67,522,416 | 68,242,234 |
| Total assets less current liabilities | | 611,842,007 | 585,819,291 |
| Creditors: amounts falling due after more than one year | 22 | (430,389,966) | (426,215,949) |
| Net assets excluding pension surplus | | 181,452,041 | 159,603,342 |
| Pension surplus/(deficit) | 24 | - | - |
| Net assets including pension surplus | | 181,452,041 | 159,603,342 |
| Capital and reserves | | | |
| Called up share capital | 25 | 33 | 34 |
| Revenue reserves | 26 | 3,988,909 | 3,740,293 |
| Designated reserves | 27 | 177,463,099 | 155,863,015 |
| Total capital and reserves | | 181,452,041 | 159,603,342 |

The financial statements on pages 13 to 40 were approved by the Board of Management on 25 September 2025 and were signed on its behalf by:

Derek Wilson – **Board Member**

Mark Graham – **Chief Executive**

Andrea McKellar – **Board Member**

Registered number: 200IP
Charity Registration Number: NIC101435

Northern Ireland Co-Ownership Housing Association Limited

Co-Ownership statement of financial position as at 31 March 2025 *(Association only)*

| | Note | 2025 £ | 2024 £ |
|--|------|----------------------|----------------------|
| Fixed assets | | | |
| Housing properties | 13 | 541,054,297 | 513,179,460 |
| Other tangible assets | 15 | 293,232 | 264,301 |
| Investments | 16 | 300,001 | 300,001 |
| | | 541,647,530 | 513,743,762 |
| Current assets | | | |
| Stock | 17 | 2,995,870 | 1,959,660 |
| Debtors | 18 | 1,332,342 | 1,683,404 |
| Investments | 19 | 63,481,816 | 63,250,705 |
| Cash at bank and in hand | | 6,014,543 | 5,096,412 |
| | | 73,824,571 | 71,990,181 |
| Creditors: amounts falling due within one year | 21 | (13,981,307) | (10,221,445) |
| Net current assets | | 59,843,264 | 61,768,736 |
| Total assets less current liabilities | | 601,490,794 | 575,512,498 |
| Creditors: amounts falling due after more than one year | 22 | (420,889,966) | (416,715,949) |
| Net assets excluding pension surplus | | 180,600,828 | 158,796,549 |
| Pension surplus/(deficit) | 24 | - | - |
| Net assets including pension surplus | | 180,600,828 | 158,796,549 |
| Capital and reserves | | | |
| Called up share capital | 25 | 33 | 34 |
| Revenue reserves | 26 | 3,137,696 | 2,933,500 |
| Designated reserves | 27 | 177,463,099 | 155,863,015 |
| Total capital and reserves | | 180,600,828 | 158,796,549 |

The financial statements on pages 13 to 40 were approved by the Board of Management on 25 September 2025 and were signed on its behalf by:

Derek Wilson – **Board Member**

Mark Graham – **Chief Executive**

Andrea McKellar – **Board Member**

Registered number: 200IP
Charity Registration Number: NIC101435

Northern Ireland Co-Ownership Housing Association Limited

Consolidated statement of cash flows for the year ended 31 March 2025

| | Notes | 2025 £ | 2024 £ |
|---|-------|---------------------|---------------------|
| Net cash inflow from operating activities | 29 | 11,080,912 | 9,939,403 |
| Tax paid | | (10,843) | (67,809) |
| | | 11,070,069 | 9,871,594 |
| Investing activities | | | |
| Purchase of properties | | (57,029,810) | (52,093,313) |
| Housing Association Grant received for purchase of properties | | - | 1,400 |
| Sale of properties | | 38,136,125 | 29,932,957 |
| Housing Association Grant repaid on sale of properties | | (9,072,397) | (8,986,971) |
| Purchase of other tangible fixed assets | | (150,949) | (157,027) |
| Interest received | | 3,440,799 | 2,278,705 |
| Net cash used in investing activities | | (24,676,232) | (29,024,249) |
| Cash flows used in financing activities | | | |
| New term loans | | 22,000,000 | 14,250,000 |
| Repayment of loans | | (5,000,000) | (8,000,000) |
| Interest paid | | (1,065,569) | (1,072,350) |
| Net cash used in financing activities | | 15,934,431 | 5,177,650 |
| Net increase in cash and cash equivalents | | 2,328,268 | (13,975,005) |
| Cash and cash equivalents at the beginning of the year | | 74,932,025 | 88,907,030 |
| Cash and cash equivalents at the end of the year | 20 | 77,260,293 | 74,932,025 |

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025

1 General information

Co-Ownership's principal activity is the provision of affordable housing on a shared ownership basis. Co-Ownership is incorporated under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969. The subsidiary, Ownco Homes Limited, is registered under the Companies Act 2006. The Group is a public benefit entity in accordance with FRS 102. The address of the registered office is Moneda House, 25-27 Wellington Place, Belfast, BT1 6GD.

2 Statement of compliance

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

Disclosure exemptions

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

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

3 Summary of significant accounting policies

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

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

Basis of preparation of financial statements

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

Basis of consolidation

The consolidated statement of comprehensive income and consolidated statement of financial position are made up to 31 March 2025. Intra group transactions, any unrealised profits/losses arising and intercompany balances are eliminated fully on consolidation.

Going concern

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

3 Summary of significant accounting policies (continued)

Revenue recognition

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

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

i) Rental income

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

ii) First tranche equity sales

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

Donations received

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

Value added tax

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

Current taxation

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

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

Employee benefits

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

i) Short term benefits

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

3 Summary of significant accounting policies (continued)

ii) Pension funding

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

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

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

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

Tangible fixed assets

i) Housing properties

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

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

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

ii) Other tangible fixed assets

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

| | % |
|-----------------------|----|
| Office equipment | 25 |
| Fixtures and fittings | 10 |

iii) Derecognition

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

3 Summary of significant accounting policies (continued)

Housing Association Grant and other grants

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

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

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

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

Stock

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

Current asset investments

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

Cash and cash equivalents

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

Debtors

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

Housing loans

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

3 Summary of significant accounting policies (continued)

Impairment of non-financial assets

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

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

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

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

Provisions

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

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

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

Contingencies

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

Operating leases

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

3 Summary of significant accounting policies (continued)

Financial instruments

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

i) Financial assets

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

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

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

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

ii) Financial liabilities

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

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

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

Revenue reserves

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

Designated reserve - property purchase

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

4 Critical accounting judgements and estimation uncertainty

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

Critical judgement in applying the entity's accounting policies

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

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

Estimation uncertainty in applying the entity's accounting policies

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

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

A provision for the impairment on housing assets has been made for the estimated amount of investment that is considered to be unrealisable. Management take into account factors including the broader Northern Ireland property market, the yield level of the properties and other known factors as part of this consideration. There has been a release of £1.1m this year due to the improvement in the housing market since the prior year end. The level of impairment provision at the year end is set out in note 13.

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

5 Lettings and other related information

| | Group | | Co-Ownership | |
|--|--------------|--------------|--------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| Turnover | £ | £ | £ | £ |
| Rents (see below) | 16,812,001 | 15,498,583 | 16,657,203 | 15,363,644 |
| First Tranche Sales (note 9) | 35,664,163 | 28,280,466 | 33,696,668 | 26,856,966 |
| | 52,476,164 | 43,779,049 | 50,353,871 | 42,220,610 |
| Cost of sales | | | | |
| Rents | (104,452) | (102,302) | (104,452) | (102,302) |
| First Tranche Sales (note 9) | (28,181,523) | (23,300,022) | (26,416,294) | (22,049,591) |
| | (28,285,975) | (23,402,324) | (26,520,746) | (22,151,893) |
| Operating costs | | | | |
| Management expenses (exc. Non cash pension) | (5,477,848) | (5,244,023) | (5,414,849) | (5,164,571) |
| Non cash pension movement | 32,000 | (13,000) | 32,000 | (13,000) |
| Valuation fees | (318,593) | (236,090) | (318,191) | (234,608) |
| Bad debt released | 25,282 | 36,042 | 25,282 | 36,042 |
| | (5,739,159) | (5,457,071) | (5,675,758) | (5,376,137) |
| Donations received (note 33) | - | - | 475,000 | 500,000 |
| Release of impairment of housing properties (note 13) | 1,100,000 | 700,000 | 1,100,000 | 700,000 |
| Operating surplus | 19,551,030 | 15,619,654 | 19,732,367 | 15,892,580 |
| Gain/(Loss) on disposal of housing properties (note 9) | 326,028 | (142,225) | 326,028 | (142,225) |
| Interest receivable and similar income (note 10) | 3,210,795 | 3,492,123 | 2,969,228 | 3,171,205 |
| Interest payable and similar charges (note 11) | (1,071,343) | (1,081,596) | (1,071,343) | (1,081,596) |
| Surplus before taxation for the year | 22,016,510 | 17,887,956 | 21,956,280 | 17,839,964 |

| | Group | | Co-Ownership | |
|------------------------|------------|------------|--------------|------------|
| | 2025 | 2024 | 2025 | 2024 |
| Turnover from lettings | £ | £ | £ | £ |
| Rents | 16,648,084 | 15,359,391 | 16,493,286 | 15,224,452 |
| Processing fees | 163,917 | 139,192 | 163,917 | 139,192 |
| | 16,812,001 | 15,498,583 | 16,657,203 | 15,363,644 |

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

5 Lettings and other related information (continued)

| Analysis of Operating costs | Group | | Co-Ownership | |
|----------------------------------|------------------|------------------|------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Personnel | | | | |
| Salaries (excluding pensions) | 3,009,942 | 2,967,612 | 2,994,951 | 2,950,510 |
| Pension contributions | 499,239 | 475,118 | 499,239 | 475,118 |
| Other staff costs | 122,420 | 109,014 | 122,420 | 109,014 |
| | 3,631,601 | 3,551,744 | 3,616,610 | 3,534,642 |
| Non cash pension movement | (32,000) | 13,000 | (32,000) | 13,000 |
| | 3,599,601 | 3,564,744 | 3,584,610 | 3,547,642 |
| Establishment | | | | |
| Property costs | 474,358 | 470,580 | 437,105 | 420,663 |
| Telephone | 15,657 | 25,180 | 15,657 | 25,180 |
| Depreciation | 122,018 | 95,605 | 122,018 | 95,605 |
| | 612,033 | 591,365 | 574,780 | 541,448 |
| Administration | | | | |
| Administration overheads | 157,888 | 147,661 | 157,888 | 147,661 |
| Computer costs | 298,048 | 239,597 | 298,048 | 239,597 |
| Professional fees | 153,366 | 129,845 | 145,587 | 118,999 |
| Project costs | 66,134 | 74,027 | 66,134 | 74,027 |
| General expenses | 126,259 | 125,992 | 124,508 | 124,405 |
| Repairs | 41,733 | 82,045 | 41,733 | 82,045 |
| Marketing | 348,669 | 269,240 | 347,444 | 269,240 |
| Credit Agency | 42,117 | 32,507 | 42,117 | 32,507 |
| | 1,234,214 | 1,100,914 | 1,223,459 | 1,088,481 |
| Total Management expenses | 5,445,848 | 5,257,023 | 5,382,849 | 5,177,571 |
| Valuation fees | 318,593 | 236,090 | 318,191 | 234,608 |
| Bad debt released | (25,282) | (36,042) | (25,282) | (36,042) |
| Total Operating costs | 5,739,159 | 5,457,071 | 5,675,758 | 5,376,137 |

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

6 Operating surplus

| | Group | | Co-Ownership | |
|---|------------------|-----------|------------------|-----------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Operating surplus is stated after charging: | | | | |
| Staff costs, excluding pension (note 7) | 3,009,942 | 2,967,612 | 2,994,951 | 2,950,510 |
| Pension (note 7) – contributions | 499,239 | 475,118 | 499,239 | 475,118 |
| – non cash pension movement | (32,000) | 13,000 | (32,000) | 13,000 |
| Depreciation of tangible fixed assets | | | | |
| – owned assets (note 15) | 122,018 | 95,605 | 122,018 | 95,605 |
| Operating lease rentals | 270,502 | 268,646 | 270,502 | 268,646 |
| Fees payable to the Group's auditor for the audit of the financial statements | 37,250 | 37,250 | 34,000 | 34,000 |
| Fees payable to the Group's auditor for non-audit services – tax compliance | 2,950 | 2,950 | - | - |
| Fees payable to the Group's auditor for non-audit services - other | 3,250 | 3,250 | 2,150 | 2,150 |

7 Employee information

| | Group | | Co-Ownership | |
|---------------------------|------------------|-----------|------------------|-----------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Staff costs | | | | |
| Wages and salaries | 2,714,038 | 2,685,874 | 2,699,048 | 2,668,772 |
| Social security costs | 295,904 | 281,738 | 295,903 | 281,738 |
| | 3,009,942 | 2,967,612 | 2,994,951 | 2,950,510 |
| Pension contributions | 499,239 | 475,118 | 499,239 | 475,118 |
| | 3,509,181 | 3,442,730 | 3,494,280 | 3,425,628 |
| Non cash pension movement | (32,000) | 13,000 | (32,000) | 13,000 |
| | 3,477,181 | 3,455,730 | 3,462,280 | 3,438,628 |

Co-Ownership staff costs includes redundancy costs of £Nil (2024: £85,942).

| | 2025 Number | 2024 Number |
|---|----------------|----------------|
| Average monthly number of persons employed by the Group and Co-Ownership (including the Chief Executive and excluding the board members) during the year by activity: | | |
| - Permanent | 59 | 60 |
| - Temporary | 1 | - |
| Administration and finance | 60 | 60 |

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

7 Employee information (continued)

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

| | 2025 Number | 2024 Number |
|---|----------------|----------------|
| More than £60,000 but not more than £70,000 | 4 | 4 |
| More than £70,000 but not more than £80,000 | 1 | 1 |

8 Key management emoluments

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

| | Group | | Co-Ownership | |
|-----------------------|---------|---------|--------------|---------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Aggregate emoluments | 426,032 | 391,838 | 426,032 | 391,838 |
| Pension contributions | 75,376 | 68,980 | 75,376 | 68,980 |
| | 501,408 | 460,818 | 501,408 | 460,818 |

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

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

| | Group | | Co-Ownership | |
|-----------------------|---------|---------|--------------|---------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Aggregate emoluments | 135,100 | 124,242 | 135,100 | 124,242 |
| Pension contributions | 23,926 | 21,897 | 23,926 | 21,897 |
| | 159,026 | 146,139 | 159,026 | 146,139 |

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

| | 2025 Number | 2024 Number |
|---|----------------|----------------|
| More than £80,000 but not more than £85,000 | - | 1 |
| More than £90,000 but not more than £95,000 | 1 | 2 |
| More than £100,000 but not more than £105,000 | 2 | - |
| More than £120,000 but not more than £125,000 | - | 1 |
| More than £135,000 but not more than £140,000 | 1 | - |

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

9 Surplus on sale of housing properties

| | Group | | Co-Ownership | |
|--|---------------------|--------------|---------------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Sales - first tranche sales | 35,664,163 | 28,280,466 | 33,696,668 | 26,856,966 |
| Cost of sales - first tranche sales | (28,181,523) | (23,300,022) | (26,416,294) | (22,049,591) |
| | 7,482,640 | 4,980,444 | 7,280,374 | 4,807,375 |
| Gain/(Loss) on disposal of housing properties – second tranche and after | 326,028 | (142,225) | 326,028 | (142,225) |
| Release of provision for impairment of housing properties (note 13) | 1,100,000 | 700,000 | 1,100,000 | 700,000 |
| | 8,908,668 | 5,538,219 | 8,706,402 | 5,365,150 |

Comprising:

| | £ | £ | £ | £ |
|---|------------------|-----------|------------------|-----------|
| Repossession of properties | (305,605) | (170,685) | (305,605) | (170,685) |
| Surplus on disposal | 8,114,273 | 5,008,904 | 7,912,007 | 4,835,835 |
| Release of impairment of housing properties | 1,100,000 | 700,000 | 1,100,000 | 700,000 |
| | 8,908,668 | 5,538,219 | 8,706,402 | 5,365,150 |

As at 31 March 2025, there were 6 (2024: 12) properties remaining in repossession status.

10 Interest receivable and similar income

| | Group | | Co-Ownership | |
|----------------------------|------------------|-----------|------------------|-----------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Interest receivable | 3,090,795 | 3,464,123 | 2,849,228 | 3,143,205 |
| Interest on pension scheme | 120,000 | 28,000 | 120,000 | 28,000 |
| | 3,210,795 | 3,492,123 | 2,969,228 | 3,171,205 |

11 Interest payable and similar charges

| | Group | | Co-Ownership | |
|------------------|------------------|-----------|------------------|-----------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Interest payable | 1,071,343 | 1,081,596 | 1,071,343 | 1,081,596 |

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

12 Taxation on profit on ordinary activities

| | Group | | Co-Ownership | |
|--|---------------|--------------|--------------|----------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| UK corporation tax charge on profit for the year | 14,229 | 10,752 | - | - |
| Adjustments in respect of prior periods | 1,581 | (2,614) | - | - |
| Total current tax | 15,810 | 8,138 | - | - |

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2024: lower than) the standard rate of corporation tax in the UK of 25% (2024: 25%).

| | 2025 | 2024 |
|--|-------------|-------------|
| | £ | £ |
| Surplus on ordinary activities before taxation | 22,016,510 | 17,887,956 |
| Surplus on ordinary activities by rate of tax | 5,504,128 | 4,471,898 |
| Marginal relief | (829) | (1,155) |
| Charitable income not chargeable to tax | (5,489,070) | (4,459,991) |
| Adjustment to tax in respect of previous periods | 1,581 | (2,614) |
| Tax on profit | 15,810 | 8,138 |

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

13 Housing properties

| Group | Cost £ | Participants' Investment £ | Group Housing Investment £ |
|--|----------------------|----------------------------------|-------------------------------------|
| At 1 April 2024 | 1,224,353,085 | 704,087,794 | 520,265,291 |
| Transfers of completed schemes and additions in the year | 137,610,353 | 80,235,851 | 57,374,502 |
| Disposals | (63,765,894) | (35,345,557) | (28,420,337) |
| Transferred to stock | (9,447,291) | (6,451,421) | (2,995,870) |
| At 31 March 2025 | 1,288,750,253 | 742,526,667 | 546,223,586 |
| Impairment | | | |
| At 1 April 2024 | | | (3,900,000) |
| Released in the year | | | 1,100,000 |
| At 31 March 2025 | | | (2,800,000) |
| Uncompleted schemes and additions | | | |
| Balance at 1 April 2024 | | | 947,465 |
| Additions | | | 57,029,810 |
| Transfers | | | (57,374,502) |
| At 31 March 2025 | | | 602,773 |
| At 31 March 2025 | | | 544,026,359 |
| At 31 March 2024 | | | 517,312,756 |

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

13 Housing properties (continued)

| Co-Ownership | Cost £ | Participants' Investment £ | Co-Ownership Housing Investment £ |
|--|----------------------|----------------------------------|--|
| At 1 April 2024 | 1,220,219,789 | 704,087,794 | 516,131,995 |
| Transfers of completed schemes and additions in the year | 137,026,307 | 80,235,851 | 56,790,456 |
| Disposals | (62,020,614) | (35,345,557) | (26,675,057) |
| Transferred to stock | (9,447,291) | (6,451,421) | (2,995,870) |
| At 31 March 2025 | 1,285,778,191 | 742,526,667 | 543,251,524 |
| Impairment | | | |
| At 1 April 2024 | | | (3,900,000) |
| Released in the year | | | 1,100,000 |
| At 31 March 2025 | | | (2,800,000) |
| Uncompleted schemes and additions | | | |
| Balance at 1 April 2024 | | | 947,465 |
| Additions | | | 56,445,764 |
| Transfers | | | (56,790,456) |
| At 31 March 2025 | | | 602,773 |
| At 31 March 2025 | | | 541,054,297 |
| At 31 March 2024 | | | 513,179,460 |

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

Capital commitments

The total cost to finalise uncompleted schemes and additions amounts to £13,053,445 (2024: £8,386,220), of which £5,125,446 (2024: £3,532,191) represents Co-Ownership's investment. In addition, negotiations are in progress for the purchase of existing property at a total cost of £27,285,850 (2024: £27,522,550), of which £11,442,088 (2024: £11,674,715) represents Co-Ownership's investment.

Owncos Homes has capital commitments on housing properties contracted to but not completed at the year end of £Nil (2024: £383,204).

14 Housing Association Grant

| | 2025 £ | 2024 £ |
|-------------------------------|---------------------|-------------|
| Group and Co-Ownership | | |
| At 1 April | 170,215,949 | 178,320,308 |
| Receivable in the year | - | 1,400 |
| Repayable - on disposal | (10,372,858) | (8,105,759) |
| At 31 March (note 22) | 159,843,091 | 170,215,949 |

Housing Association Grant (HAG) repayable on disposal consists of amounts paid during the year of £5,148,637 (2024: £4,182,000) and amounts falling due within one year of £5,224,221 (2024: £3,923,759) (note 21).

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

15 Other tangible fixed assets

| Group and Co-Ownership | Fixtures and fittings £ | Office equipment £ | Total £ |
|---------------------------------|----------------------------|-----------------------|----------------|
| Cost | | | |
| At 1 April 2024 | 161,407 | 640,280 | 801,687 |
| Additions | 4,851 | 146,098 | 150,949 |
| At 31 March 2025 | 166,258 | 786,378 | 952,636 |
| Accumulated depreciation | | | |
| At 1 April 2024 | 63,716 | 473,670 | 537,386 |
| Charge for the year | 16,686 | 105,332 | 122,018 |
| At 31 March 2025 | 80,402 | 579,002 | 659,404 |
| Net book amount | | | |
| At 31 March 2025 | 85,856 | 207,376 | 293,232 |
| At 31 March 2024 | 97,691 | 166,610 | 264,301 |

16 Fixed asset investments

| Co-Ownership | 2025 Subsidiary Undertaking £ | 2024 Subsidiary Undertaking £ |
|--------------|--|--|
| Cost | 300,001 | 300,001 |

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

The Group has no fixed asset investments.

17 Stock

| Group and Co-Ownership | 2025 £ | 2024 £ |
|------------------------|------------------|-----------|
| Stock | 2,995,870 | 1,959,660 |

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

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

18 Debtors

| Amounts falling due within one year | Group | | Co-Ownership | |
|-------------------------------------|-----------|-----------|--------------|-----------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Rent debtors | 337,742 | 352,742 | 323,167 | 335,459 |
| Less: bad debts provision | (155,000) | (182,000) | (155,000) | (182,000) |
| | 182,742 | 170,742 | 168,167 | 153,459 |
| Prepayments and accrued income | 1,181,095 | 1,546,487 | 1,164,175 | 1,529,945 |
| | 1,363,837 | 1,717,229 | 1,332,342 | 1,683,404 |

19 Current asset investments

| | Group | | Co-Ownership | |
|---------------------|------------|------------|--------------|------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Short term deposits | 69,481,816 | 68,757,253 | 63,481,816 | 63,250,705 |

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

20 Cash and cash equivalents

| | Group | | Co-Ownership | |
|-------------------------------|------------|------------|--------------|------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Cash at bank and in hand | 7,778,477 | 6,174,772 | 6,014,543 | 5,096,412 |
| Short term deposits (note 19) | 69,481,816 | 68,757,253 | 63,481,816 | 63,250,705 |
| | 77,260,293 | 74,932,025 | 69,496,359 | 68,347,117 |

21 Creditors: amounts falling due within one year

| | Group | | Co-Ownership | |
|------------------------------|------------|------------|--------------|------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| HAG repayable - on disposal | 5,224,221 | 3,923,759 | 5,224,221 | 3,923,759 |
| Participants' deposits | 241,610 | 246,196 | 147,469 | 117,879 |
| Other creditors | 519,671 | 511,019 | 519,672 | 511,019 |
| DfC Loans (note 23) | 7,453,125 | 5,000,000 | 7,453,125 | 5,000,000 |
| Corporation Tax | 14,086 | 8,138 | - | - |
| Accruals and deferred income | 644,871 | 677,568 | 636,820 | 668,788 |
| | 14,097,584 | 10,366,680 | 13,981,307 | 10,221,445 |

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

22 Creditors: amounts falling due after more than one year

| | Group | | Co-Ownership | |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Bank loan (note 23) | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 |
| DfC loans (note 23) | 240,546,875 | 226,000,000 | 231,046,875 | 216,500,000 |
| Housing Association Grant (note 14) | 159,843,091 | 170,215,949 | 159,843,091 | 170,215,949 |
| | 430,389,966 | 426,215,949 | 420,889,966 | 416,715,949 |

Security

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

23 Loans and other borrowings

| | Group | | Co-Ownership | |
|---------------------------|------------|------------|--------------|------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 |

Maturity of financial liabilities:

| | | | | |
|-------------------------|------------|------------|------------|------------|
| Greater than five years | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 |
|-------------------------|------------|------------|------------|------------|

| | Group | | Co-Ownership | |
|----------------------------------|-------------|-------------|--------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Department for Communities loans | 248,000,000 | 231,000,000 | 238,500,000 | 221,500,000 |

Maturity of financial liabilities:

| | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| Due within one year | 7,453,125 | 5,000,000 | 7,453,125 | 5,000,000 |
| In more than one year, but not more than five years | 58,328,125 | 42,031,250 | 48,828,125 | 42,031,250 |
| Greater than five years | 182,218,750 | 183,968,750 | 182,218,750 | 174,468,750 |
| | 248,000,000 | 231,000,000 | 238,500,000 | 221,500,000 |

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

The Bank loan and unused facilities bear interest between 0.5% and 3.0% and are secured against the assets of the Group. At 31 March 2025 the Group had an undrawn revolving loan facility of £35m (2024: £35m).

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

24 Pension commitments

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

- (i) actuarial deficiencies to be recognised immediately as a liability in the financial statements rather than being spread forward over employees' remaining service lives; and
- (ii) the actuary, in valuing the scheme's liabilities, is required to use a bond yield as the discount rate for valuing future liabilities, rather than a rate that reflects the expected return on the scheme's particular asset portfolio, with the result of an apparent increase in the present value of future longer term liabilities.

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

The major assumptions used by the actuary were:

| Group and Co-Ownership | 2025 | 2024 | 2023 |
|---|--------------|-------------|-------------|
| Rate of increase in salaries | 4.00% | 4.10% | 4.20% |
| Rate of increase in pensions in payment | 2.50% | 2.60% | 2.60% |
| Discount rate | 5.80% | 4.80% | 4.70% |
| Inflation assumption | 2.50% | 2.60% | 2.70% |

The mortality assumptions used were as follows:

| Group and Co-Ownership | 2025 Years | 2024 Years | 2023 Years |
|---|-----------------------|-----------------------|-----------------------|
| Longevity at age 65 for current pensioners: | | | |
| - Men | 21.6 | 21.7 | 22.2 |
| - Women | 24.5 | 24.6 | 25.0 |
| Longevity at age 45 for future pensioners: | | | |
| - Men | 22.2 | 22.7 | 23.2 |
| - Women | 25.2 | 25.6 | 26.0 |

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

24 Pension commitments (continued)

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

| Group and Co-Ownership | Value at 31 March 2025 £'000 | Value at 31 March 2024 £'000 |
|---|---|---|
| Equities | 8,998 | 9,145 |
| Property | 2,070 | 2,030 |
| Bonds | 4,271 | 4,520 |
| Asset Credit | 2,833 | 2,783 |
| Cash | 2,331 | 1,172 |
| Other | 1,286 | 1,277 |
| Total market value of assets | 21,789 | 20,927 |
| Present value of scheme liabilities | (15,887) | (18,666) |
| Net pension surplus | 5,902 | 2,261 |
| Unrecognised asset | (5,902) | (2,261) |
| Net pension deficit recognised in statement of financial position | - | - |

Reconciliation of fair value of scheme assets

| Group and Co-Ownership | 2025 £'000 | 2024 £'000 |
|-------------------------------|-----------------------|-----------------------|
| At 1 April | 20,927 | 18,851 |
| Interest income on assets | 1,007 | 889 |
| Member contributions | 182 | 178 |
| Employer contributions | 500 | 476 |
| Actuarial gains/(losses) | (234) | 1,089 |
| Benefits paid | (593) | (556) |
| At 31 March | 21,789 | 20,927 |

The actual return on assets was a gain of £0.8m (2024: gain of £2.0m).

Reconciliation of present value of scheme liabilities

| Group and Co-Ownership | 2025 £'000 | 2024 £'000 |
|-------------------------------|-----------------------|-----------------------|
| At 1 April | 18,666 | 18,501 |
| Current service cost | 468 | 489 |
| Interest cost | 887 | 861 |
| Member contributions | 182 | 178 |
| Actuarial (gains)/losses | (3,723) | (807) |
| Past service cost | - | - |
| Benefits paid | (593) | (556) |
| At 31 March | 15,887 | 18,666 |

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

24 Pension commitments (continued)

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

| | 2025 | 2024 |
|--|------------|------------|
| Group and Co-Ownership | £'000 | £'000 |
| Current service cost | 468 | 489 |
| Past service cost | - | - |
| Interest on net defined benefit scheme | (11) | (28) |
| Total cost | 457 | 461 |

Amounts for current and previous four years:

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|--------------|--------------|------------|----------------|----------------|
| Group and Co-Ownership | £'000 | £'000 | £'000 | £'000 | £'000 |
| Fair value of employer assets | 21,789 | 20,927 | 18,851 | 21,793 | 20,126 |
| Present value of defined benefit obligation | (15,887) | (18,666) | (18,501) | (27,705) | (28,493) |
| Surplus/(Deficit) | 5,902 | 2,261 | 350 | (5,912) | (8,367) |

Total amount recognised in the statement of changes in reserves

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|------------------------------------|--------------|-------------|--------------|--------------|----------------|
| Group and Co-Ownership | £'000 | £'000 | £'000 | £'000 | £'000 |
| Actuarial (deficit)/surplus | (152) | (15) | 6,716 | 3,353 | (2,414) |

25 Called up share capital

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

| | 2025 | 2024 |
|---------------------------------|------|------|
| Group and Co-Ownership | £ | £ |
| Allotted, issued and fully paid | 33 | 34 |

During the year 1 share was cancelled.

26 Revenue reserves

| | Group | | Co-Ownership | |
|---|------------------|------------------|------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Opening reserves | 3,740,293 | 3,531,006 | 2,933,500 | 2,764,067 |
| Net transfer from designated reserves (note 27) | 248,616 | 209,287 | 204,196 | 169,433 |
| Closing reserves | 3,988,909 | 3,740,293 | 3,137,696 | 2,933,500 |

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

27 Designated reserves

Property purchase reserve

| | 2025 | 2024 |
|---------------------------------------|--------------------|--------------------|
| Group | £ | £ |
| At 1 April | 155,863,015 | 138,207,484 |
| Surplus for the year | 21,848,700 | 17,864,818 |
| Transfer to revenue reserve (note 26) | (248,616) | (209,287) |
| At 31 March | 177,463,099 | 155,863,015 |

| | 2025 | 2024 |
|---------------------------------------|--------------------|--------------------|
| Co-Ownership | £ | £ |
| At 1 April | 155,863,015 | 138,207,484 |
| Surplus for the year | 21,804,280 | 17,824,964 |
| Transfer to revenue reserve (note 26) | (204,196) | (169,433) |
| At 31 March | 177,463,099 | 155,863,015 |

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

28 Financial Instruments

| | Group | | Co-Ownership | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Financial assets that are debt instruments measured at amortised cost | | | | |
| Rental debtor (note 18) | 182,742 | 170,742 | 168,167 | 153,459 |
| Short term deposits (note 19) | 69,481,816 | 68,757,253 | 63,481,816 | 63,250,705 |
| Cash at bank and in hand | 7,778,477 | 6,174,772 | 6,014,543 | 5,096,412 |
| | 77,443,035 | 75,102,767 | 69,664,526 | 68,500,576 |
| Financial liabilities measured at amortised cost | | | | |
| DfC loans (note 23) | 248,000,000 | 231,000,000 | 238,500,000 | 221,500,000 |
| Bank loans (note 23) | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 |
| Participants' deposits (note 21) | 241,610 | 246,196 | 147,469 | 117,879 |
| Accruals (note 21) | 644,871 | 677,568 | 636,820 | 668,786 |
| | 278,886,481 | 261,923,764 | 269,284,289 | 252,286,665 |

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

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

| | 2025 £ | 2024 £ |
|--|--------------------|-------------|
| Surplus in the financial year | 22,000,700 | 17,879,818 |
| Taxation | 15,810 | 8,138 |
| (Gain)/loss on disposal of housing properties – second tranche and after | (326,028) | 142,225 |
| Interest receivable and similar income | (3,210,795) | (3,492,123) |
| Interest payable and similar charges | 1,071,343 | 1,081,596 |
| Operating surplus | 19,551,030 | 15,619,654 |
| Surplus on sale of housing properties | (7,842,997) | (5,337,114) |
| Repossession of properties | 412,897 | 356,085 |
| Release of impairment of housing properties | (1,100,000) | (700,000) |
| Depreciation | 122,018 | 95,605 |
| Movement in debtors | 3,387 | (151,981) |
| Movement in creditors | (33,422) | 44,154 |
| Non cash pension movement | (32,000) | 13,000 |
| Share capital cancelled | (1) | - |
| Cash inflow from operating activities | 11,080,912 | 9,939,403 |

30 Analysis of consolidated net debt

| | 1 April 2024 £ | Cashflow £ | Other non cash movements £ | 31 March 2025 £ |
|------------------------------------|----------------------|---------------------|-------------------------------------|-----------------------|
| Cash at bank and in hand | 6,174,772 | 1,603,705 | - | 7,778,477 |
| Short term deposits (note 19) | 68,757,253 | 724,563 | - | 69,481,816 |
| Debt due within one year (note 21) | (5,000,000) | 5,000,000 | (7,453,125) | (7,453,125) |
| Debt due after one year (note 22) | (256,000,000) | (22,000,000) | 7,453,125 | (270,546,875) |
| Net debt | (186,067,975) | (14,671,732) | - | (200,739,707) |

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

31 Operating lease commitments

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

| | Land and buildings 2025 £ | Land and buildings 2024 £ |
|--------------------------|------------------------------------|------------------------------------|
| Within one year | 223,243 | 223,243 |
| Within two to five years | 892,973 | 892,973 |
| After five years | - | 223,243 |
| | 1,116,216 | 1,339,459 |

32 Legislative provisions

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

33 Related party disclosures

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

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

| | 2025 £ | 2024 £ |
|---|-----------|-----------|
| Amounts owed from related party at 1 April | - | - |
| Management and administration charge to Ownco Homes | 14,990 | 17,102 |
| Donations from Ownco Homes | 475,000 | 500,000 |
| Receipts from Ownco Homes | (489,990) | (517,102) |
| Amounts owed from related party at 31 March | - | - |



Co-Ownership have been a fantastic company to deal with. From start to finish through the application process, everything was clear and concise. Friendly staff to talk with and ask advice and queries. Would definitely recommend to first time buyers. Everything has been open and straightforward.

co- owner ship. org



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