

# Clanmil Housing Association Limited

Northern Ireland · Charity number 103840

## Details

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**Status** Received

**Registered** 2015-09-09

**Register** [View on the Charity Commission for Northern Ireland register](#)

## Contact

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**Website** [www.clanmil.org](http://www.clanmil.org)

## Activities

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**Purposes:** The objects of the Association (as set out in the Rules) shall be to carry on, for the benefit of the community, the business of: (a) providing houses or hostels and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; (b) providing for aged, disabled, handicapped (whether mentally or physically) or chronically sick persons in need thereof houses or hostels and any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons; (c) providing services, advice or assistance upon terms appropriate to their means to aged, disabled, handicapped (whether mentally or physically) or chronically sick persons in need thereof in arranging or carrying out works of improvement, repair or maintenance to houses occupied by them, and providing any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons.

**What the charity does:** The prevention or relief of poverty, The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage

**How the charity works:** Accommodation/housing, Advice/advocacy/information, Community development, Disability, Environment/sustainable development/conservation, Heritage/historical, Relief of poverty

**Who the charity helps:** General public, Homelessness, Learning disabilities, Mental health, Older people, Physical disabilities, Specific areas of deprivation, Tenants, Travellers

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£56,889,968	£46,544,178	£-626,157,073	325

## Trustees

Name	Role	Appointed
Aisling Press		
Alan Campbell		
Leeanne Whaley		
Mr Christopher Lillie		
Mr John Hannigan		
Mr Norman Hill		
Ms Maeve Monaghan		
Ms Maria Mccann		
Sarah Robson		
Tom Barclay		

**Clanmil Housing Association Limited**

Northern Ireland - Charity number 103840

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# Accounts

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**Registered no: IP000136**

**Clanmil Housing Association Limited**  
**Annual Statement of Accounts**  
**for the year ended 31 March 2025**

# **Clanmil Housing Association Limited**

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## **Annual Statement of Accounts for the year ended 31 March 2025**

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## Board and advisers

### Board

M Monaghan MBE MSc (Chair)  
M McCann MA (Vice Chair)  
P Cassidy BA (QUB) CPFA (retired Jun24)  
N Adams BSc (Hons)  
K O'Neill MEng  
D Orr CBE MA  
L Hannigan BSc (Hons) MRICS (retired Jun24)  
N Hill BSc Econ (Hons) FCPFA  
E Patterson MSc CIHCM (retired Dec24)  
J Hannigan FCCA MBA CIHCM CDir  
C Lillie BA (Hons)  
S Robson BA (Hons) PgDipTP MRTPI (co-opted Sep24)  
A Press MSc Dip IoD Lib IoB (co-opted Dec24)

### Group Chief Executive and Company Secretary

C McTaggart Adv Dip CIHCM AssocRICS MCFI

### Registered office

Northern Whig House  
3 Waring Street  
Belfast  
BT1 2DX

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, No. IP000136

### Solicitors (primary)

Mills Selig  
21 Arthur Street  
Belfast  
BT1 4GA

### Bankers (primary)

Danske Bank  
Donegall Square West  
Belfast  
BT1 6SJ

### Independent auditors

Sumer AuditCo NI  
Statutory Auditors  
Glendinning House  
6 Murray Street  
Belfast  
BT1 6DN

## Strategic report of the Board for the year ended 31 March 2025

The Board present their strategic report and the audited financial statements for the year ended 31 March 2025 of Clanmil Housing Association Limited (the “Association”) and its subsidiaries (the “Group”).

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

### Gender analysis

The Executive Team of the Association comprises 3 females and 3 males at year end. The Group had 325 employees on the 31 March 2025, both part and full time, of which 106 are male and 219 are female.

### Status

Clanmil Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP000136) and is a Registered Housing Association.

The Association is a registered charity with HMRC (Charity No. XR 43042).

The Association is registered with the Charity Commission for Northern Ireland (Registration No. NIC103840).

### Group structure

Clanmil Housing Association Limited provides social and affordable housing in Northern Ireland and is the controlling member of the Group. Clanmil Developments Limited provides property development services to assist Clanmil Housing Association in delivering its social housing development programme. Clanmil Properties Limited provides services to property management companies and other Housing Associations/Organisations. Milbreen Limited is currently dormant but intends to develop housing for sale.

Refer to note 18 for details of Clanmil Housing Association Limited’s investments in subsidiary undertakings.

### Principal activities

The Group provides over 5,980 high quality homes for rent throughout Northern Ireland and helps facilitate home ownership for people who cannot afford to purchase a home outright through its shared equity product.

Our social homes are allocated to people from the housing selection scheme managed by the Northern Ireland Housing Executive.

A wide range of people live in our homes. All share a need for a good quality home, and to be part of a sustainable community where they can live well, flourish and thrive. We offer a wide range of high quality housing and services including:

- homes for families and single people;
- housing and support for older people;
- supported housing for older people with dementia and for people with learning disabilities and mental ill-health;
- hostels providing temporary refuge for women and their children escaping domestic violence;
- houses for Irish Travellers; and
- supported housing for young people leaving care.

Our equity share, part-buy, part-rent scheme makes home ownership achievable for people who cannot afford to purchase a home outright. It allows first time buyers to purchase a share in a home and pay rent on the remaining share, with an option to buy the remainder at a time that suits them.

## Strategic report of the Board for the year ended 31 March 2025 (cont'd)

### Shaping our Future Strategy 2026

2024/25 was the fourth year of our Strategic Plan, Shaping our Future, which we launched in April 2021. This plan was co-designed by colleagues, customers and stakeholders, and is both challenging and ambitious and provides, we believe, focus for us all, whilst reinforcing the importance of genuine partnerships that help our customers thrive and flourish within sustainable communities.

Together we want to:



#### Leave a positive experience

- ▶ We believe there's always an opportunity to leave a positive lasting impression if you show compassion and demonstrate you care
- ▶ We see the person, not the problem
- ▶ Whilst we know that sometimes we might have to have a tough conversation or make a hard decision, we will always act with honesty, fairness and respect regardless of the circumstances
- ▶ We are a people business, so trust and great relationships are crucial



#### Believe in better

- ▶ With a world of opportunity and a head full of possibility, we have a shared ambition to do more
- ▶ We challenge ourselves, each other, what we do and the world around us to not just settle but improve and strive for better
- ▶ We remain curious about what could be, embracing change whilst never losing sight of what we believe in
- ▶ We are a force for good, so we're confident to stand up and be counted



#### Achieve together

- ▶ Together we are stronger, it's as simple as that
- ▶ By working as one with colleagues, customers and communities we can make real change happen, overcome challenges and move things forward with great energy
- ▶ We all see the world differently, and we might not always agree. We embrace that
- ▶ We celebrate our diversity and the benefit that brings as we know that with unity comes strength

The five key aims of our Strategy are:



### Build and maintain quality homes whilst preserving the environment

Having the right place to call home is an essential part of being able to live well. With that in mind we want to play a leading role in tackling the housing crisis in Northern Ireland. We want to strengthen existing communities and help to create new ones through the development of new sustainable homes that are built for the future. The homes we build will be well maintained, safe and energy efficient. Climate change is the challenge of a generation so we must play our part in reducing our carbon footprint. We aim to:

- Build and develop up to 1,400 well designed, energy efficient, mixed-tenure homes in the next five years.
- Target the design and delivery of new homes in both urban and rural areas with the greatest housing need.
- Be innovative in our delivery and adopt all affordable delivery options, including modern methods of construction, to minimise our carbon footprint.
- Invest in actively managing our assets, making them safe and attractive places to live.
- Subsidise our core activity by diversifying our approach, capitalising on new opportunities for growth through initiatives such as the empty and affordable homes schemes.



### Provide services that make life easier for our customers

We want our customers to sustain their tenancies for as long as they choose. It's important that we remain responsive to changing customer needs and that we make life easier for them by making it easy to do business with us. We need to build and maintain healthy, trusting and respectful relationships with our customers, so they are empowered to help shape the standard of services we provide. We will:

- Create services that provide a great customer experience, being clear about what we offer and how we work to support diverse customer needs.
- Build trusting relationships by getting to know our customers, their communities and listening to their individual needs.
- Working in partnership with other service providers, create an environment where stable communities can thrive and customers are empowered to make informed decisions that are right for them.
- Create more opportunities for regular and robust customer feedback to generate quality insights that will help us to continually enhance our services.
- Develop an excellent multi-channel approach to serving our customers, giving customers a real choice in how they want to talk to us.

## Strategic report of the Board for the year ended 31 March 2025 (cont'd)



### Create a brilliant and sustainable organisation, fit for the future

In a world of digital, environmental and social disruption we must be ready to change and adapt to fulfil our purpose, and as a business we're only as good as our people and that's why we want to create a great place to work. We realise that to achieve our ambitions we must have financial strength and operational efficiency, and that we have to manage our business to the highest standards. This will come through robust financial management and systems, as well as seeking to potentially generate additional revenue that we can re-invest for the benefit of our customers. We seek to:

- Review our organisational design and capability to ensure we have the right people and expertise to deliver our strategy, managing and communicating change well.
- Strengthen our employer brand and offer to retain great people and attract diverse new talent.
- Lead with our new values and create the right culture where people can deliver their best work.
- We will create more opportunities for colleagues to contribute, feel empowered, supported in personal and professional development and have their voices heard.
- Deliver organisational efficiency and operational excellence by maximising the benefits of new and existing technologies to improve our end-to-end processes.
- Optimise our financial group structure and identify opportunities for future growth through partnership or innovation, launching new effective services for our customers and communities.



### Be a respected voice to grow our impact

We believe that everyone has the right to a quality home and the opportunity to live in a safe and supportive community, that's why we will stand up and be heard when it comes to social housing. We want people to understand the importance of the sector and we want to add our voice to future housing policy so that we can ensure the issues that really impact on people's lives are addressed. We will promote a positive view of Clanmil, both locally and regionally, to create both interest and demand in partnering with us or in becoming a customer. This will be achieved by:

- Creating strong, trusted and productive relationships with new and existing stakeholders.
- Initiating change, influence policy and be leaders within the housing sector to deliver our purpose.
- Powerfully communicating our new strategy and brand so people understand who we are, what we do and how we add value to people's lives.
- Using the right communication channels to effectively engage our audiences and maximise our impact, sharing our successes beyond the housing sector.
- Cultivating new partnerships with service providers that are beneficial in helping our customers to live well, whilst also addressing future societal challenges.



### Reach, connect and collaborate to strengthen communities

We know that some communities do not get the chance to thrive. We believe there are more ways in which we can support people and their communities beyond simply providing them with a home. We want to help make this a more shared place and we know that shared communities have a lasting positive impact on people's lives. We appreciate the value in developing great partnerships and we understand the importance of these in supporting our customers. We want to maximise these partnerships so that customers know where to look for guidance, help and expertise. We aim to:

- Focus our resources on the people who need most support, working closely with expert partners to deliver more services that communities need.
- Commission a review of existing community development activity to identify the biggest challenges and opportunities; determining whether we lead, leave, collaborate or delegate.
- Contribute to building stable communities by supporting people to live well and keep their homes. We will achieve this through financial inclusion services, creating opportunities and by exploring new ways of tackling isolation in a post-COVID world.
- Support our existing shared communities and deliver at least five more shared schemes that are welcoming to all and give people the choice of living alongside neighbours from many backgrounds and traditions.
- Raise environmental awareness by nurturing a community culture that values the environment, community landscapes and energy efficiency.

## Strategic report of the Board for the year ended 31 March 2025 (cont'd)

### Our Performance

For the core business areas the Board has set a number of key performance indicators - these include rent arrears, voids, customer satisfaction, growth, maintenance repair times, staff turnover and financial stability. Our performance is also assessed through a number of statutory inspection regimes, and we are committed to continuing to achieve the highest standards where we can.

We assess our performance by how satisfied our customers are with the homes and services we provide. We regularly seek feedback from the people who live in our homes on everything from repairs to neighbourhoods.

In 2024-25, customer satisfaction was strongest in relation to general repairs and maintenance (79%) and the safety of home (76%).

### Service Performance and Key Improvements:

All comparable measures have seen improvements since 2023-24. Significant increases in satisfaction were observed for handling anti-social behaviour (+4%), neighbourhood contribution (+6%), trust in Clanmil (+6%). The most significant gains were achieved for listens and acts on feedback (+8%) and recent repairs service (+13%). These increases resulted in a modest 1% increase in overall satisfaction, suggesting that broader concerns may still be influencing customer sentiment. Overall satisfaction for 24/25 was 67.04%.

We continue to focus on the services that matter to our customers and are working with them to improve satisfaction levels.

The Group continues to grow, and efficiency savings are reinvested where appropriate to improve existing services, deliver additional services, maintain and improve the condition and value of our homes as well as the delivery of new homes.

We strive to operate efficiently and effectively, and outputs are monitored by the Board who receive performance reports covering a variety of financial and non-financial performance information.

In challenging operating conditions, the Association achieved the following performance against its key targets for 2024/25:

Performance Indicator	Actual 2024/25	Target 2024/25	Comment
Gearing ratio	35%	45%	Gearing is calculated in line with new loan covenants as debt as a percentage of gross book value of property. The Group was fully compliant with loan covenants during the year.
Interest cover	3.41 times	1.25 times	Now calculated excluding major repairs. Better performance than target. Largely due to significant interest received during the year which lowered net interest to be covered. The Group was fully compliant with interest cover covenants during the year.
Operating margin	27.2%	23.9%	Operating margin of 27.2% is better than budget which can be attributed to lower than anticipated salary costs as not all budgeted posts were filled.
Social Housing arrears including rent, rates and service charges	7.5%	7.7%	Despite the ongoing impact of the cost-of-living crisis on our customers and the increase in numbers of customers moving onto Universal Credit, predictive software helping to highlight customers who may need help, is starting to realise benefits
Voids as a per centage of gross charges	2.0%	2.3%	Performance improved on 2023/24 levels.
Response maintenance repairs completed within timescale based on current completion of work orders up to 31/03/25	71.6%	Internal target 85% Contract target 90%	We were disappointed by continued difficulties in the delivery of our repairs service. We know just how important this service is for our customers Repairs completion performance fell to 71.6% and a major focus during the year was procuring new response maintenance contractors and clearing the backlog of outstanding repairs. Customer transactional repair surveys were 85.1% satisfied.
Customer satisfaction	67.0%	85%	This will continue to be an area of focus throughout Clanmil in 2025/26.

\* All figures have been rounded up to one decimal place

## Strategic report of the Board for the year ended 31 March 2025 (cont'd)

The management of financial resources is critical to the Group's ability to meet its objectives. Whilst the registered Housing Association has voluntary non-profit making status, the generation of an annual surplus is vital to ensure the ongoing investment in our existing homes and services, the delivery of new homes to play our part in alleviating the housing crisis in Northern Ireland, providing for longer term maintenance obligations, to meet our commitments to lenders, and to generally ensure adequate protection against unforeseen circumstances.

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

- 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;
- Professional and dedicated staff who are committed to the Group's objectives; and
- A proven ability to play its part in the delivery of the social housing development programme.

### Colleagues

Our success is due to the hard work, commitment and professionalism of the people who make up Clanmil. We are very grateful to our highly motivated and engaged colleagues who are working tirelessly to deliver an improving service to our customers. They turn up every day with energy and enthusiasm to do the right thing and we really value that. We have continued with colleague pulse surveys throughout the year to help us understand what is needed to make Clanmil an even better place to work. We are also very proud to have just received GOLD accreditation for Investors in People.

The Group's total staff costs increased from £10.2m in 2023/24 to £11.5m in 2024/25. As a percentage of turnover staffing costs increased from 19.4% in 2023/24 to 21.0% in 2024/25. Sickness absence levels have increased from 3.44% to 4.70%. Labour turnover has increased from 16.5% in 2023/24 to 17.80% in Year ending March 2025.

### Value for Money (VfM)

Our aim is to utilise our assets and resources as much as possible to meet the needs of existing and future customers.

To do this we continue to work collaboratively across Clanmil, harnessing the innovation and creativity of our people, our customers and stakeholders to deliver improvements through efficiency, effectiveness and economy.

There were 38 projects throughout the year which we assessed as having a value over £30,000 and therefore subject to a full tender exercise, the pre-tender estimates provided where exceeded by £1,073,199.00. This has primarily been attributed to actual tender costs received for asset contracts

There are a number of factors which has influenced this outturn, mainly the volatility of the current market with material cost increases and specifically within the response maintenance environment significant labour shortages – both of which have seen a rise in costs to deliver a response maintenance service.

13 individual quotation exercises were undertaken this year (ie they were under £30,000 each), which ensured we received the best value for money in relation to a £159,192.00 saving based on the lowest and second lowest quotation received.

Through the work of our Financial Inclusion Team we delivered strong positive social impact, whereby we:

- Assisted 1,335 customers with money advice: an increase of 17% on 2023/24.
- Helped them secure £3.8m in additional income, an increase from £3.6m in 2023/24.
- Supported 105 customers to set up and run their homes by accessing discretionary support grants with an average award of £1,454 each.
- Engaged with Bryson Energy Fund to secure £18,000 in electricity top-ups for customers.
- Worked with contractors to secure £23,460 in social value above statutory requirements; up from £7,500 in 2023/24.

We will continue to integrate Value for Money into our operating activities with value defined from the perspective of our customers and the services we deliver.

## Strategic report of the Board for the year ended 31 March 2025 (cont'd)

### Delivering more social housing to address the housing need in Northern Ireland

2024/25 saw housing finally move up the agenda in Northern Ireland and rightfully become a strategic priority for the NI Executive. We welcomed the Housing Supply Strategy, a 15 year framework for the delivery of homes to meet Northern Ireland's current and future needs and the fact that more social, affordable and sustainable housing was one of nine priorities for making a real difference to people's lives in the Executive's Programme for Government (PFG) This confirms what we in the housing sector have always known, a good home is vital for a good life.

During the year we started construction on 259 new homes, bringing the total number of homes under construction at the end of the financial year to 752 representing an investment in Northern Ireland by Clanmil of £170m. Our handover target was impacted by a number of issues across several schemes including delays with statutory bodies and the continued impact of material cost increases and rising inflation, however we did take handover of 100 new homes and welcomed new Clanmil customers. The Development team continued to manage construction contracts robustly in line with contract terms

We are also delighted to have been chosen by Belfast City Council as their strategic partner for the delivery of a mixed tenure, mixed use scheme in the inner northwest of the city and we look forward to seeing our plans come to life in the years ahead.

It is encouraging to have the NI Executive set a target of 5,850 new sustainable social homes by 2027 and see investment in wastewater infrastructure and improvements to the planning system prioritised in the Programme for Government. We at Clanmil are looking forward to working with all partners to deliver homes on the scale needed to make a real difference to people's lives.

To achieve this, we plan to make our assets work harder, through increasing our gearing (which remains within the covenants granted by the lending institutions that have supported us), focusing on driving improvement on voids, investigating complementary income streams and improving operational efficiency. We successfully launched a private placement for £100m in September 2022 complementing the renegotiation of £150m of existing borrowing facilities at more favourable rates in 2021/22. We have £45m of cash and short-term deposits and £50m of agreed undrawn loan facilities available to assist in funding our growth strategy and meeting ongoing commitments.

We have generated modest surpluses from diversification into housing related activities. The purpose of the diversification is to provide surpluses to continue to subsidise new affordable housing. These diversified activities, albeit on a relatively small scale, are successfully operating in the market rental sector, commercial retail units and Management Agent services

### Providing good quality and efficient services to tenants

During the year we spent £9.6m with third parties carrying out repairs and improvements to our existing homes, replacing kitchens, bathrooms, new windows, redecoration, new heating and fire alarm systems and processed 28,000 repair requests, with 71.6% being completed within their timeframes. This was disappointing as we faced continued difficulties in the delivery of our repairs service. We know just how important this service is for our customers and a major focus during the year was procuring new response maintenance contractors and clearing the backlog of outstanding repairs. We continued to grow our in-house repairs team, who carried out 20% of our response repairs.

So much work and effort has gone into improving this service by our teams and we are very grateful to our customers and colleagues for their patience and understanding. We look forward to working with our new response maintenance partners to provide a more efficient and reliable service that meets our customers' needs.

Customer service and engagement has remained a top priority for us and over the year we implemented the second phase of our Customer Services Centre, and we hope that this will mean that customer enquiries are resolved more efficiently. We also implemented new lettable standards, standards of service and our customer handbook to ensure both customers and colleagues are clear about the services we provide. We also introduced a new Customer Home visit protocol, visiting around 1,300 customers in their homes during the year to get to know them better and to ensure that our services are meeting their individual needs.

The rising cost of living continues to impact many of our customers and for some, bridging the gap between household income and the day-to-day cost of running a home and raising a family was extremely difficult. During the year, our team supported 1,335 customers through money and debt management advice, generating more than £3.8m in additional income for them.

## Strategic report of the Board for the year ended 31 March 2024 (cont'd)

### Investing in our communities

Clanmil is committed to improving community cohesion and good relations by increasing the number of Shared Neighbourhoods across Northern Ireland. During the year we continued to deliver Good Relations Projects to strengthen relationships between our Customers and Communities within a five-mile radius in our current nine Shared Neighbourhood programme schemes in Banbridge, Belfast (Annadale), Cookstown, Crossgar, Carrickfergus, Downpatrick, Glenwhirry, Newtownabbey and Newcastle. The Cohesion team are currently working hard to promote further schemes in Antrim and Crumlin and during the year we received approval to take forward three further shared housing schemes in Magherafelt, Bangor and in Belfast's Titanic Quarter.

### Other value for money considerations

The Association achieved a lower than prior year operating margin of 27.2% (2024 31.6%). Even though turnover increased, the increase in operational costs outweighed this. We continue to monitor and actively mitigate costs as far as possible.

### Environment

We continue to focus on making existing homes as energy efficient as they can be, and our new Environmental Strategy 2024-2029 sets out our intent to bring all Clanmil homes to EPC rating C by 2030. This Strategy is our route map towards achieving net zero by 2050. It embeds environmental protection in all that we do and includes a commitment that the heating systems in our homes will be electric first.

Our strategy has five goals:

1. Design and build energy efficient homes, creating sustainable places to live
2. Effectively manage our energy use and reduce our carbon output
3. Invest in our existing homes to improve their energy efficiency, helping to minimise the impact of fuel poverty on customers and ensure homes are safe, decent and free from dampness and mould
4. Improve our environmental management of waste and water and support biodiversity and habitat.
5. Engage with our customers, colleagues and partners to inform them of our environmental management work and journey towards sustainability and net zero

Currently 99.9% of our stock meet Decent Homes standard. We are working to improve levels of thermal comfort, as a result 87.3% of our homes are already at EPC rating C. We began conversion of communal gas heating to individual electric heating. Our electricity supply contracts are all from green renewable tariffs.

Over the year we have continued construction on our exemplar project at Deerpark, Antrim to meeting EPC rating A. Our Clanmil Design Guide which clearly sets out our ambitions for our new homes so that we are minimising the environmental impact of our construction activity and providing energy efficient homes that are cost effective for our customers. We remain focused on designing and building our new homes on a fabric first basis to reduce energy use and we will continue to design and build all our new homes to EPC rating A.

Details of Clanmil Energy Consumption and Emission Report for the period 1 April 2024 to 31 March 2025 were as follows:-

Energy consumption used to calculate emissions (KWH):	
Gas:	5,683,417
LPG:	N/A
Gas Oil:	1,764,308
Kerosene:	124,586
Electricity:	3,014,287
<b>Total</b>	<b>10,586,598</b>
Emission from combustion of gas (kgCO <sub>2</sub> e)	1,037,394
Emission from combustion of LPG (kgCO <sub>2</sub> e)	N/A
Emission from combustion of heating oil-Kerosene (kgCO <sub>2</sub> e)	30,595
Emission from consumption of heating oil-Gas Oil (kgCO <sub>2</sub> e)	447,411
Emission from purchased electricity (kgCO <sub>2</sub> e)	624,108
Emission from business travel in company owned vehicles (kgCO <sub>2</sub> e)	24,174
Emission from travel in non-company owned vehicles (kgCO <sub>2</sub> e)	58,417
<b>Total Gross (tCO<sub>2</sub>e)</b>	<b>2,187</b>
<b>Intensity ratios:</b>	<b>tCO<sub>2</sub>e based on:</b>
Properties owned:	0.37tCO <sub>2</sub> e/house owned
Energy supplies:	6.65tCO <sub>2</sub> e/supply
Annual Turnover:	4.01tCO <sub>2</sub> e/£100,000

## Strategic report of the Board for the year ended 31 March 2025 (cont'd)

Our business carbon footprint of 2,187 tonnes of CO2 represents a 10% reduction from the base year of 2019/20. Figures are derived from the Energy Consumption Master Spreadsheet controlled by Clanmil Housing Association, containing Electricity, Natural Gas, LPG, Heating Oil consumption on a monthly basis sourced from invoices.

Company vans mileage data obtained from Clanmil Housing. Non-company owned mileage data obtained from Clanmil Housing from staff mileage business mileage claims.

### For the year ahead 2025/26

Our year ahead will again focus on listening and acting upon what our customers are telling us to ensure we are tailoring our services that best meet their needs. We will also continue to play our part in addressing Northern Ireland's continuing housing crisis by delivering more new homes, and ensuring our existing homes are safe, secure and comfortable, work hard to deliver services our customers need and will continue our digital journey maximising the efficiencies we can achieve in the delivery of high-quality services.

### Risk Management

Clanmil continues to manage risk in line with our Risk Management Policy, framework, and governance structures. Responsibility for the identification of risk at a strategic, directorate and operational level is clearly defined, and risks are regularly assessed and reviewed.

Key risks facing the Group are considered by the Board / Group Audit and Risk Committee and the Executive Team Board on a quarterly basis and the Board has adopted a risk-aware strategic approach. Our risk appetite statement is reviewed annually to ensure continued focus on the management of risk as it drives forward the delivery of its strategic ambitions. It was fully reviewed and approved in February 2025.

Performance in the sector is generally affected by government policies and changing legislation, the impact of the regulatory regime, changes in demographic, political or economic conditions or environmental risks. Some of the major factors which may affect the Group over the next year and considered by our Board in March 2025 are:

- Ability to deliver a high standard of customer service (associated reputational risks).
- Net zero carbon/sustainability/environmental commitments.
- Cyber and data security.
- Recruitment and retention of the right people.
- Strategic Asset Management
- Impact of increased costs due to Contractor Performance
- Fire and building safety, including damp and mould.
- Data quality and adequacy of ICT Systems
- Inability to deliver growth ambition due to pressures associated with the NI Budget.

### Performance in the year ended 31 March 2025

Overall, the number of properties increased, with 100 new homes handed over. These were partially offset by the loss of 4 homes via the right to buy house sales scheme and 6 shared ownership homes, (where customers purchased the remaining equity in their homes). Overall, the number of properties increased from 5,888 to 5,980 (note 31).

The Association's annual review of rental charges at April 2024 resulted in a 7.2% increase in the majority of rents.

There were 752 homes under construction by the Group at 31 March 2025.

£53.4m was spent on housing properties additions and component replacement during the year (notes 14 and 17) partially funded by Housing Association Grant of £33.6m (note 15).

Turnover for the Group increased by 4% from £52.5m in 2023/24 to £54.5m. This was mainly due to rent increases.

Group operating costs increased by £3.8m to £39.7m and represent 72.8% of turnover (68.3% in 2023/24). This was impacted by inflationary pressures on maintenance costs, increased salary costs reflecting inflationary pressures as well as increased head count.

## Strategic report of the Board for the year ended 31 March 2025 (cont'd)

The surplus on ordinary activities for the Group was £10.3m, a decrease of £0.6m over 2023/24 (as restated for capitalisation of interest of £0.4m – see note 38). This was partially offset by significant increase in interest receivable in period. Delays in the development programme were a direct consequence of the N.I. Executive budget uncertainty. To ensure best use of borrowings a portion was repurposed to generate interest income for the Group.

Financing costs increased marginally from £6.5m (as restated) in 2023/24 to £6.9m. Loan balances were £232.3m (£204.8m in 2023/24).

Investment properties comprising commercial premises to let and market rent residential property were revalued at year end 31 March 2025. Values increased by £0.9m compared with a small decrease in value in 2023/24 of £0.06m.

### Events after the balance sheet

There were no post balance sheet events. The potential ongoing impact of the current economic and political uncertainty is considered under Risk Management and expected performance in 2024/25 is outlined above.

### Expected performance in the year ending 31 March 2026

Notwithstanding the ongoing economic upheaval, the Group expects further growth in 2025/26, as a result of the significant on-going development programme and the requirement to include inflationary increases in rental charges. Turnover is projected to increase by around 3.6% to approximately £56.5m.

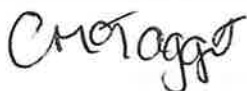
It is planned that approximately 161 additional homes will be completed during the year bringing the total homes owned or managed to approximately 6,141 units.

£4.1m of expenditure regarding the on-going programme of major repairs and improvements to properties is anticipated in the year. The Group operates in a highly regulated environment which can result in associated cost pressures and constraints on income streams. It will continue to develop a co-ordinated corporate approach to achieving efficiency targets in line with the Strategic Plan. Priorities have been set to ensure that efficiencies are gained without an adverse impact on service delivery or service user satisfaction.

### Financial sustainability

The Group has a robust and comprehensive framework of longer-term financial planning in place. The Board regularly considers the longer-term financial plan which covers a 40-year period. The plan includes sensitivity analysis and compares projected results to funders' covenants where applicable. To demonstrate the robustness of the plan, and to inform the Board of the potential risks associated with the financial plan, several scenario analyses are completed. The most recent plan was considered by the Board in March 2025. This incorporated stress testing on a multi-variate basis that considered the potential downside from economic and business risks potentially arising. This demonstrated that the financial plan does not put undue pressure on the Group, and that through the adoption of planned mitigation strategies the Group can continue to operate within its covenant limits.

By order of the Board



C McTaggart  
Group Chief Executive and Company Secretary  
26 June 2025

## Report of the Board for the year ended 31 March 2025

The Board present their report and the audited financial statements for the year ended 31 March 2025 of Clanmil Housing Association Limited (the "Association") and its subsidiaries (the "Group").

### Board

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

### Performance in the year ended 31 March 2025 and expected performance in the year ended 31 March 2026

The sections on performance in the year ended 31 March 2025 and expected performance in the year ended 31 March 2026, are contained in the strategic report, which forms part of this report.

### Treasury

The Group's treasury management policy facilitates the effective management of cash flows, borrowings, investments and the risks associated with these activities. An update to the policy was approved by the Board in February 2025.

At 31 March 2025 the Association had loans outstanding of £232.3 million, compared with £204.8m at 31 March 2024. Short term investments and cash balances total £45.3m compared with £28.5m at 31 March 2024. Average net debt per unit was £31k at 31 March 2025 (£30k 2023/24) as 90 homes (net of disposals) were added in the year.

The Group was fully compliant with loan covenants during the year.

The Association's interest cover ratio for the year of 3.41 times and the gearing ratio as at 31 March 2025 of 35.0% comfortably meet the Association's primary lender requirements.

Responsibility for the management of interest rate risk and liquidity risk is with the Board. The Association finances its operations through a combination of borrowing and the reinvestment of reserves. The amount of borrowings and its terms are reviewed and determined by the Board. The Group engages specialist Treasury Management Advisors to assist in this process.

### Interest rate risk

Exposure to fluctuating interest rates is managed by the composition of a balanced portfolio between fixed rate and variable rate loans.

### Liquidity risk

The Group maintains a mixture of long-term and short-term loan finance that is designed to ensure there are sufficient funds to achieve business objectives and to facilitate planned growth.

As at 31 March 2025, the Group had agreed facilities unused across a number of Institutions of £50m, to assist in funding its growth strategy and meeting ongoing commitments.

### Currency risk

The Association and Group do not engage in foreign currency transactions and so are not exposed to exchange risk.

### Regulation

The Association's principal regulator is the Department for Communities (DfC). It is also regulated by the Charity Commission Northern Ireland (CCNI) and the Northern Ireland Housing Executive (NIHE) in its role as administrator of Supporting People funding and Manager of the Social Housing Development Programme.

## Report of the Board for the year ended 31 March 2025 (cont'd)

The Association complies with the DfC Regulatory Standards. Based on the last Regulatory Framework rating received in relation to 2022/23, DfC determined that Clanmil Housing Association Limited met the Regulatory Standards for Governance, Finance and Consumer with the highest Rating 1.

### Quality Management

The quality of the Association's management systems is recognised through the Investors in People Gold accreditation awarded in May 2025, and the standards of the Regulation and Quality Improvement Authority. The Association also received during the year a bronze accreditation from Diversity Mark charting our pathway on Equality, Diversity and Inclusion.

### Environmental matters

The Group recognises its corporate responsibility to carry out its operations and development programme whilst minimising environmental impacts and its intent is outlined in our new Environmental Strategy 2024 – 2029. The Board's continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

### Statement of the responsibilities of the members of the Board

The Co-operative and Community Benefit Societies Act and registered housing association legislation require the members of the Board to prepare financial statements for each financial year which give a true and fair view of the state of the Association and Group's affairs and of its surplus or deficit for that period. In preparing these statements the Board is required to:

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

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

### Statement of disclosure of information to auditors

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

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

### Internal Control

The Board has overall responsibility for the Association and Group's internal control systems and for reviewing the effectiveness of these. Such systems can only provide the Board with reasonable, and not absolute, assurance against material misstatement or loss as they are designed to manage the risk of failure to achieve business objectives rather than eliminate the risk completely.

## Report of the Board for the year ended 31 March 2025 (cont'd)

### Audit

The Board has established a Group Audit and Risk Committee with clearly defined terms of reference. The main functions of the Group Audit and Risk Committee are to control and review the external and internal audit functions, the internal control systems and monitor the performance of the Association against the key business indicators. The Association's internal auditors report directly to the Group Audit and Risk Committee on completion of each systems review and an annual summary report is produced by the internal auditors summarising the systems audit programme each year. The provision of the external auditor's report to those Charged with Governance also provides some assurance through the year-end audit and the provision of an internal control report.

### Board and Executive Officers

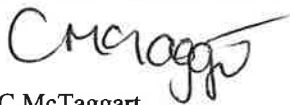
The members of the Board and the Executive Officers of the Association are listed on page 2.

In accordance with the Standing Orders, after a qualifying period Board members are invited to become shareholders and hold a fully paid share of £1 in the Association.

### Independent auditors

The auditors, Sumer AuditCo NI, 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



C McTaggart  
**Group Chief Executive and Company Secretary**  
26th June 2025

**Independent auditors' report to the members of Clanmil Housing Association Limited****Report on the audit of the financial statements****Opinion**

We have audited the financial statements, included within the Annual Statement of Accounts ("the Annual Report"), which comprise: the consolidated and association statements of financial position as at 31 March 2025; the consolidated and association statements of comprehensive income, the consolidated and association statements of changes in reserves, and the consolidated cash flow statement for the year then ended, and the notes to the financial statements, which include a description of the significant accounting policies.

In our opinion, Clanmil Housing Association Limited's group financial statements and association financial statements ("the financial statements"):

- give a true and fair view of the state of the group's and of the association's affairs as at 31 March 2025 and of the group's and association'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);
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 and association 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**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the groups and association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the groups and association's ability to continue as a going concern.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

**Responsibilities for the financial statements and the audit****Responsibilities of the board for the financial statements**

As explained more fully in the Statement of the responsibilities of the members of the Board of Management set out on pages 12 and 13, the Board is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Independent auditors' report to the members of Clanmil Housing Association Limited  
(continued)**

In preparing the financial statements, the board is responsible for assessing the group and association's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group and association 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.

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 considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income and posting of unusual journals and complex transactions. We discussed the risks with client management and designed audit procedures to test a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks..

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

**Use of this report**

This report, including the opinions, has been prepared for and only for the members as a body in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and article 19 of The Housing (Northern Ireland) Order 1992 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**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 association; or
- the association financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



Brian Clerkin (Senior Statutory Auditor)  
for and on behalf of Sumer AuditCo NI  
Statutory Auditor  
Glendinning House  
6 Murray Street  
Belfast  
BT1 6DN

26th June 2025

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

	Note	2025 £	2024 (Restated) £
<b>Turnover</b>	5	<b>54,522,361</b>	52,542,249
<b>Operating costs</b>	6	<b>(39,691,974)</b>	(35,916,953)
<b>Operating surplus</b>	7	<b>14,830,387</b>	16,625,296
Surplus arising from disposals of fixed assets		239,122	1,330,754
Transfer to disposal proceeds fund	10	(192,256)	(1,241,069)
Interest receivable and similar income	11	2,367,607	707,556
Interest payable and similar charges	12	(6,852,204)	(6,486,360)
Other finance (costs)/income	13	(58,000)	(54,000)
<b>Surplus on ordinary activities</b>		<b>10,334,656</b>	10,882,177
Revaluation of Investment Properties	17	856,312	(60,820)
Actuarial gain/(loss) in respect of Pension scheme	33	(6,000)	(589,000)
<b>Retained surplus for the financial year</b>		<b>11,184,968</b>	10,232,357
Retained surplus brought forward		87,438,724	77,206,367
<b>Retained surplus carried forward</b>		<b>98,623,692</b>	87,438,724

All amounts above relate to continuing operations of the Group.

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

		2025 £	2024 £
Surplus on ordinary activities previously reported		10,334,656	10,456,423
Prior Year Adjustment	38	-	425,754
<b>Surplus on ordinary activities</b>		<b>10,334,656</b>	<b>10,882,177</b>
Movement in share capital	26	(2)	(1)
Revaluation of Investment Properties	17	856,312	(60,820)
Actuarial gain / (loss) in respect of Pension scheme	33	(6,000)	(589,000)
Net addition to capital and reserves		11,184,966	10,232,356
Opening total capital and reserves		87,438,734	77,206,378
<b>Closing total capital and reserves</b>		<b>98,623,700</b>	87,438,734

The notes on pages 22 to 51 form part of these financial statements.

**Association statement of comprehensive income for the year ended 31 March 2025**

		2025	2024
		£	(Restated) £
<b>Turnover</b>	5	<b>54,580,090</b>	52,665,668
<b>Operating Costs</b>	6	<b>(39,749,703)</b>	(36,029,234)
<b>Operating Surplus</b>	7	<b>14,830,387</b>	16,636,434
Surplus arising from disposal of fixed assets		239,122	1,330,754
Transfer to disposal proceeds fund	10	(192,256)	(1,241,069)
Interest receivable and similar income	11	2,367,607	707,556
Interest payable and similar charges	12	(6,852,204)	(6,486,360)
Other finance costs	13	(58,000)	(54,000)
<b>Surplus on Ordinary Activities</b>		<b>10,334,656</b>	10,893,315
Revaluation gain/(loss) on Investment Properties	17	856,312	(60,820)
Actuarial gain/(loss) in respect of Pension scheme	33	(6,000)	(589,000)
<b>Retained Surplus for the financial year</b>		<b>11,184,968</b>	10,243,495
Retained surplus brought forward		87,271,812	77,028,317
<b>Retained surplus carried forward</b>		<b>98,456,780</b>	87,271,812

All amounts above relate to continuing operations of the Association.

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

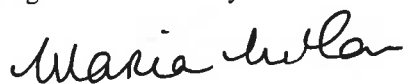
		2025	2024
		£	£
Surplus on ordinary activities previously reported		10,334,656	10,467,561
Prior Year Adjustment	38	-	425,754
Surplus on ordinary activities		10,334,656	10,893,315
Movement in share capital	26	(2)	(1)
Revaluation gain/(loss) on investment properties	17	856,312	(60,820)
Actuarial gain/(loss) in respect of Pension scheme	33	(6,000)	(589,000)
Net addition to capital and reserves		11,184,966	10,243,494
Opening total capital and reserves		87,271,822	77,028,328
Closing total capital and reserves		98,456,788	87,271,822

The notes on pages 22 to 51 form part of these financial statements.

Consolidated statement of financial position as at 31 March 2025

	Note	2025 £	2024 (Restated) £
<b>Fixed assets</b>			
Housing properties - depreciated cost	14	622,236,860	581,389,873
Investment Properties	17	18,377,339	17,503,194
Other tangible fixed assets	16	2,167,965	2,039,991
Investments	18	20,085	20,085
		<b>642,802,249</b>	<b>600,953,143</b>
<b>Current assets</b>			
Debtors	19	37,558,957	24,116,318
Investments	20	24,226,556	18,954,304
Cash at bank and in hand	21	21,069,011	9,578,621
		<b>82,854,524</b>	<b>52,649,243</b>
<b>Creditors: amounts falling due within one year</b>	22	<b>(50,688,907)</b>	<b>(39,659,860)</b>
<b>Net current assets</b>		<b>32,165,617</b>	<b>12,989,383</b>
<b>Total assets less current liabilities</b>		<b>674,967,866</b>	<b>613,942,526</b>
<b>Creditors: amounts falling due after more than one year</b>	23	<b>(575,468,166)</b>	<b>(525,024,792)</b>
<b>Pension deficit</b>	33	<b>(876,000)</b>	<b>(1,479,000)</b>
<b>Net assets</b>		<b>98,623,700</b>	<b>87,438,734</b>
<b>Capital and reserves</b>			
Called up share capital	26	8	10
Revenue reserve		98,623,692	87,438,724
<b>Total funds</b>		<b>98,623,700</b>	<b>87,438,734</b>

The financial statements on pages 17 to 51 were approved by the Board of Management on 26<sup>th</sup> June 2025 and were signed on its behalf by:



M McCann  
Vice-Chair of the Board



K O'Neill  
Board Member

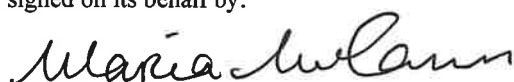


C McTaggart  
Group Chief Executive and Company Secretary

**Association statement of financial position as at 31 March 2025**

		2025	2024 (Restated)
	Note	£	£
<b>Fixed assets</b>			
Housing properties - depreciated cost	14	622,236,860	581,389,873
Investment Properties	17	18,377,339	17,503,194
Other tangible fixed assets	16	2,167,965	2,039,991
Investments	18	25,087	25,087
		<b>642,807,251</b>	<b>600,958,145</b>
<b>Current assets</b>			
Debtors	19	35,991,497	22,243,310
Investments	20	24,226,556	18,954,304
Cash at bank and in hand	21	20,735,544	9,091,605
		<b>80,953,597</b>	<b>50,289,219</b>
<b>Creditors: amounts falling due within one year</b>	22	<b>(48,959,894)</b>	<b>(37,471,750)</b>
		<b>31,993,703</b>	<b>12,817,469</b>
<b>Net current assets (liabilities)</b>		<b>31,993,703</b>	<b>12,817,469</b>
<b>Total assets less current liabilities</b>		<b>674,800,954</b>	<b>613,775,614</b>
<b>Creditors: amounts falling due after more than one year</b>	23	<b>(575,468,166)</b>	<b>(525,024,792)</b>
<b>Pension deficit</b>	33	<b>(876,000)</b>	<b>(1,479,000)</b>
<b>Net assets</b>		<b>98,456,788</b>	<b>87,271,822</b>
<b>Capital and reserves</b>			
Called up share capital	26	8	10
Revenue reserve		98,456,780	87,271,812
<b>Total funds</b>		<b>98,456,788</b>	<b>87,271,822</b>

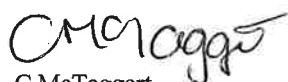
The financial statements on pages 17 to 51 were approved by the Board of Management on 26th June 2025 and were signed on its behalf by:



M McCann  
Vice-Chair of the Board



K O'Neill  
Board Member



C McTaggart  
Group Chief Executive and Company Secretary

**Consolidated cash flow statement for the year ended 31 March 2025**

	Note	2025 £	2024 (Restated) £
<b>Net cash inflow from operating activities</b>	27	<b>15,439,963</b>	<b>16,994,623</b>
<b>Cash flow from investing activities</b>			
Purchase and development of housing properties		(50,910,146)	(36,353,048)
Housing Association Grant and other grants		30,078,218	17,694,612
Voluntary Purchase Grant		98,131	435,216
Receipts from disposal of housing properties		682,675	2,354,653
Purchase of other tangible assets		(508,254)	(253,899)
Interest received		2,134,608	676,996
<b>Net cash used in investing activities</b>		<b>(18,424,768)</b>	<b>(15,445,470)</b>
<b>Cash flows from financing activities</b>			
New loans		30,000,000	35,000,000
Loan principal repayments		(2,518,463)	(12,335,964)
Allotment of shares		1	-
Interest paid		(7,734,091)	(6,651,947)
<b>Net cash used in financing activities</b>		<b>19,747,447</b>	<b>16,012,089</b>
<b>Net Increase in cash and cash equivalents</b>		<b>16,762,642</b>	<b>17,561,242</b>
Cash and cash equivalents at the beginning of the year		28,532,925	10,971,683
<b>Cash and cash equivalents at the end of the year</b>	28/29	<b>45,295,567</b>	<b>28,532,925</b>

The notes on pages 22 to 51 form part of these financial statements.

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

### 1 General information

The group and association's principal activity during the financial year was providing high quality, affordable homes for rent throughout Northern Ireland and to help facilitate home ownership for people who cannot afford to purchase a home outright. The group is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and domiciled in the UK. The address of the registered office is Northern Whig House, 3 Waring Street, Belfast, BT1 2DX.

### 2 Statement of compliance

These financial statements of Clanmil Housing 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") under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom and Statement of Recommended Practice for Accounting by Registered Social Landlords. 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.

### 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 company 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, except for the revaluation of investment properties. 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 association 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 group Statement of comprehensive income account and Statement of financial position include the financial statements of the group and its subsidiary undertakings made up to 31 March 2025. Intra group transactions, any unrealised profits/losses arising and intercompany balances are eliminated fully on consolidation.

#### Foreign currencies

Transactions and non-monetary assets, denominated in foreign currencies, are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date or the exchange rate of a related foreign exchange contract where relevant. The resulting exchange gains or losses are dealt with in the income and expenditure account.

#### 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 association and value added taxes. The group and association 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 association recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the group and association 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 association and (e) when the specific criteria

**Notes to the financial statements for the year ended 31 March 2025****3 Summary of significant accounting policies (continued)**

relating to each of the group and association's sales channels have been met, as described below and in note 5.

**i) Net rental income**

Income includes rent and service charge income arising from the provision of housing accommodation and the amortisation of Housing Association Grant. Income is recognised in the period to which it relates.

**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.

**iii) Other income**

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

**Employee benefits**

The group provides a range of benefits to employees, including paid holiday arrangements and defined contribution 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 benefit is received.

**ii) Defined contribution pension plans**

The group operates a defined contribution scheme for certain employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

**iii) Multi-employer pension plan**

The Group operates a defined benefit scheme through the Social Housing Pension Scheme (SHPS). From the year ended 31 March 2019, it was possible for the first time for the Group to account for the plan as a defined benefit plan. It previously accounted for the plan as a defined contribution scheme. Similar to the year end 31 March 2024, the assets and liabilities relating to the defined benefit plan have been recognised in the financial statements as at 31 March 2025 (note 33).

The assets of SHPS are held separately from those of the Group. The Group has adopted section 28 of FRS 102 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 increase in the present value of the liabilities of the Association's defined pension scheme arising from the employee service in the year is charged to operating surplus. The net interest on the deficit or surplus is included in other finance costs. Actuarial gains and losses are recognised in the statement of total recognised surpluses and deficits.

**iv) Interest receivable and interest payable**

There was a change in accounting policy in the current year to capitalise interest on development projects as described below. This change has been exercised as it more accurately reflects the cost of bringing these assets into use.

Interest is capitalised on borrowings to finance the development of qualifying assets to the extent that it accrues in respect of the period of development if it represents:

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

- (a) Interest on borrowing specifically financing the development programme after deduction of related grants received in advance; or
- (b) A fair amount of interest on borrowings of the association as a whole after deduction of Housing Association Grant (HAG) received in advance to the extent that they can be deemed to be financing the development programme.

A qualifying asset is one which necessarily takes a substantial period of time to get ready for its intended use or sale. Other interest payable is charged to income and expenditure in the year.

Other interest receivable and similar income include interest receivable on funds invested. Interest income and interest payable are recognised in Income and Expenditure Account as they accrue, using the effective interest method.

### Tangible fixed assets

#### Housing properties

The group operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock.

#### Other housing properties

For housing acquired by the Association to provide a supply of affordable homes on an equity sharing basis, sales proceeds are accounted for in the Statement of comprehensive income account with proceeds recorded in turnover and costs in cost of sales in accordance with SORP. The Association's share of the costs of developing the property are disclosed in tangible fixed assets – housing properties (note 14).

#### Investment Properties

Commercial properties and residential properties for market rent are held at market valuation in the Statement of Financial Position (note 17). The aggregate surplus or deficit arising from any movement in year end valuation is accounted for in the Statement of Comprehensive Income.

#### Other fixed assets

Other fixed assets are stated at cost.

### Housing Association Grant and other grants

In line with the requirements of the Housing SORP, Housing Association Grant and other grants received as a contribution towards the capital costs of housing properties of the Association are included as 'Creditors: amounts falling due after more than one year' and 'Creditors: amounts falling due within one year' rather than set against the capital cost and are amortised to the Statement of comprehensive income as per the turnover policy above. 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 net proceeds of the sale.

### Depreciation and Impairment

#### Housing properties

Housing properties are split between land, structure and major components which require periodic replacement. Replacement

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

or refurbishment of such major components is capitalised and depreciated over the estimated useful life which has been set taking into account professional guidance and the group's asset management strategy. In determining the remaining useful lives for the housing stock, the group has taken account of views provided by both internal and external professional sources.

Freehold land is not subject to depreciation. Depreciation is charged so as to write down the cost or valuation of the freehold housing properties and major components on a straight-line basis over their expected use economic lives.

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, over the following periods:

Main fabric	100 years
Roof structure and coverings	70 years
Windows and external doors	30 years
Heating system boilers	15 years
Kitchens	20 years
Bathrooms	30 years
Mechanical systems (heating, ventilation, plumbing)	30 years
Electrics	40 years
Lift	20 years

Housing assets are depreciated in the month of acquisition, or in the case of a larger project, from the month of completion. Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to operating surplus.

**Other tangible fixed assets**

Depreciation of other fixed assets is charged on a straight-line basis over the estimated useful economic lives of the assets at the following annual rates:

Freehold buildings	- 2% on cost
Office furniture and fittings	- 10% to 20% on cost
Fixed asset property	- 10% on cost
Motor vehicles	- 25% on cost

**Subsequent additions and major components**

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the group and the cost can be measured reliably. The carrying amount of any replaced component is derecognised.

Repairs, maintenance and minor inspection costs are expensed as incurred.

**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.

**Leased assets**

At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

**Operating leased assets**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating

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

leases are charged to the Statement of comprehensive income on a straight-line basis over the period of the lease.

**Cash and cash equivalents**

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

**Current asset investments**

Current asset investments are investments in short-term deposits with an original maturity between one and twelve months.

**Investment in subsidiary company**

Investment in a subsidiary company is held at cost less accumulated impairment losses.

**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 (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

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

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of comprehensive 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 comprehensive income and retained earnings.

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

**i) Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligations can be estimated reliably. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

**ii) Contingencies**

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

**Notes to the financial statements for the year ended 31 March 2025****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, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in Statement of comprehensive 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 comprehensive 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. Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of comprehensive income and retained earnings, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**ii) Financial liabilities**

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

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

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

**Disposal proceeds fund**

The net surpluses, after loan repayments, that arise from the sale of property to tenants under the voluntary purchase grant arrangements instituted by the Department for Communities can be utilised by the Association (note 10).

If the surpluses are not used within two years of receipt, they may be payable in part or in full to the Department for Communities.

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

Restricted fund

Under the terms of the Supporting People Funding Agreement (Schedule 8, paragraph 4) Supporting People funding must be identified as a Restricted Fund. Income and expenditure relating to Supporting People has been denoted as restricted (note 36). Supporting People reserves, if applicable, are held separately and denoted as Restricted Funds. Any deficit is offset against a general reserve.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the Group and Association 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.

(a) Critical judgement in applying the entity’s accounting policies

There are no critical judgements in applying the entity’s accounting policies.

(b) Critical accounting estimates and assumptions

The Board of Management makes estimates and assumptions concerning the future in the process of preparing the Group and Association financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) *Useful economic lives of housing properties*

The annual depreciation on housing properties is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of housing properties and note 3 for the useful economic lives for each component of housing property.

There are no other critical accounting estimates and assumptions.

5 Analysis of turnover

Turnover and results relate to the group’s main activities which are carried out in the United Kingdom. Turnover represents rental and service charge income and residential charges for housing with care, net of voids. It also includes first tranche equity share sales, amortisation of grants, income arising on the lease of a property to a related company, services provided to other Housing Associations and special needs management allowance (interim protection) received for the provision of housing with care.

6 Operating costs

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Direct Costs	31,048,449	29,153,303	31,220,111	29,528,767
Administrative Expenses	8,643,525	6,763,650	8,529,592	6,500,467
	39,691,974	35,916,953	39,749,703	36,029,234

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

7 Operating surplus

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
This is stated after charging				
Staff Costs (Note 8)	11,501,257	10,213,558	11,501,257	10,213,558
Depreciation	10,490,621	10,270,090	10,490,621	10,258,951
Amortisation of Grant	(7,770,984)	(8,691,425)	(7,770,984)	(8,691,425)
Release of Capital Grant	(818,280)	(2,361,807)	(818,280)	(2,361,807)
Auditors' remuneration				
- audit services	49,800	32,320	40,200	24,120
- non audit services	4,020	4,400	2,520	3,000

8 Employee information

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
<b>Staff costs</b>				
Wages and salaries	8,967,863	7,977,775	8,967,863	7,977,775
Social security costs	821,954	699,835	821,954	699,835
Other pension costs	1,711,440	1,535,948	1,711,440	1,535,948
	11,501,257	10,213,558	11,501,257	10,213,558
<b>Average monthly number of persons employed during the financial year by activity:</b>				
Administration	174	165	174	165
Scheme co-ordinators and ancillary staff	100	104	100	104
Supported Housing	66	61	66	61
	340	330	340	330

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

**9 Executive team's emoluments**

The remuneration of the Management Team of the Association during the year was:

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Aggregate emoluments	701,321	645,980	701,321	645,980
Pension contributions	176,319	167,797	176,319	167,797
	<b>877,640</b>	<b>813,777</b>	<b>877,640</b>	<b>813,777</b>

The emoluments to the highest paid Management Team member (currently included within the above table) are as follows:

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Aggregate emoluments	<b>157,351</b>	<b>147,255</b>	<b>157,351</b>	<b>147,255</b>

The number of management team members to whom emoluments were paid during the year falls within each of the following bands:

Salary Band:	Group		Association	
	2025	2024	2025	2024
	No	No	No	No
£155,000 - £160,000	1	0	1	0
£150,000 - £155,000	0	0	0	0
£145,000 - £150,000	0	1	0	1
£140,000 - £145,000	0	0	0	0
£135,000 - £140,000	0	0	0	0
£130,000 - £135,000	0	0	0	0
£125,000 - £130,000	0	0	0	0
£120,000 - £125,000	0	0	0	0
£115,000 - £120,000	1	0	1	0
£110,000 - £115,000	0	0	0	0
£105,000 - £110,000	4	0	4	0
£100,000 - £105,000	0	1	0	1
£95,000 - £100,000	0	4	0	4
£90,000 - £95,000	0	0	0	0
£85,000 - £90,000	0	0	0	0
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>

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

The Board and Committee members were reimbursed for expenses totalling £5,626 during the year (2024: £2,714).

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

10 Transfer to disposal proceeds fund

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Proceeds of disposal	431,000	2,155,000	431,000	2,155,000
Allowable costs net of grant	(238,744)	(913,931)	(238,744)	(913,931)
Transfer to disposals proceeds fund	192,256	1,241,069	192,256	1,241,069
Utilisation of disposal proceeds fund	(3,281,043)	(623,275)	(3,281,043)	(623,275)
Net change in disposal proceeds fund	(3,088,787)	617,794	(3,088,787)	617,794

Balance of disposals proceeds fund is included in creditors see notes 22 and 23

11 Interest receivable and similar income

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
	2,367,607	707,556	2,367,607	707,556

12 Interest payable and similar charges

	Group		Association	
	2025	2024	2025	2024
	£	(Restated) £	£	(Restated) £
Housing Property Loans	6,683,481	6,343,109	6,683,481	6,343,109
Bank Interest and charges	168,723	143,251	168,723	143,251
	6,852,204	6,486,360	6,852,204	6,486,360

13 Other finance costs

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Other finance costs arising on pension scheme	58,000	54,000	58,000	54,000

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

14 Fixed Assets – Housing Properties

Group and Association	Social Housing Properties Held for Lettings 2025 £	Social Housing Properties under construction 2025 £	Equity Share Properties Held for Letting 2025 £	Total 2025 £
<b>Cost</b>				
At 1 April 2024	638,642,621	37,277,630	2,587,661	678,507,912
Additions - Schemes Completed	25,641,583	(25,641,583)	20,448	20,448
Additions - Capitalised Planned Maintenance	3,518,781	-	-	3,518,781
Additions - Work in Progress	-	50,227,883	-	50,227,883
Disposals	(3,131,885)	-	(284,532)	(3,416,417)
<b>At 31 March 2025</b>	<b>664,671,100</b>	<b>61,863,930</b>	<b>2,323,577</b>	<b>728,858,607</b>
<b>Depreciation</b>				
At 1 April 2024	(96,981,365)	-	(136,675)	(97,118,040)
Charge for the year	(10,068,797)	-	(41,544)	(10,110,341)
Disposals	598,798	-	7,836	606,634
<b>At 31 March 2025</b>	<b>(106,451,364)</b>	<b>-</b>	<b>(170,383)</b>	<b>(106,621,747)</b>
<b>Net book value</b>				
<b>At 31 March 2025</b>	<b>558,219,736</b>	<b>61,863,930</b>	<b>2,153,194</b>	<b>622,236,860</b>
<b>At 31 March 2024</b>	<b>541,661,256</b>	<b>37,277,630</b>	<b>2,450,987</b>	<b>581,389,873</b>
<b>Net book amount comprises:</b>				
<b>Freehold property</b>	<b>326,908,283</b>	<b>61,863,930</b>	<b>221,139</b>	<b>388,993,352</b>
<b>Long leasehold property</b>	<b>231,311,453</b>	<b>-</b>	<b>1,932,055</b>	<b>233,243,508</b>
	<b>558,219,736</b>	<b>61,863,930</b>	<b>2,153,194</b>	<b>622,236,860</b>
<b>Net book amount comprises:</b>				
<b>Completed schemes</b>	<b>558,219,736</b>	<b>-</b>	<b>2,153,194</b>	<b>560,372,929</b>
<b>Properties under construction</b>	<b>-</b>	<b>61,863,930</b>	<b>-</b>	<b>61,863,930</b>
	<b>558,219,736</b>	<b>61,863,930</b>	<b>2,153,194</b>	<b>622,236,860</b>

During the year, £693,677 of interest costs were capitalised in relation to housing properties under construction (2024: £425,754)

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

15 Tangible fixed assets – Housing Association and other grants

Group and Association	Social Housing Properties Held for Lettings 2025 £	Social Housing Properties under construction 2025 £	Total 2025 £
<b>Housing Association and other grants</b>			
At 1 April 2024	(386,488,610)	(17,204,265)	(403,692,875)
Additions - Schemes Completed	(5,997,735)	5,997,735	-
Additions - Capitalised Planned Maintenance	-	-	-
Additions Work in Progress	-	(33,086,004)	(33,086,004)
Disposals	834,475	-	834,475
<b>At 31 March 2025</b>	<b>(391,651,870)</b>	<b>(44,292,534)</b>	<b>(435,944,404)</b>
<b>Amortisation</b>			
At 1 April 2024	75,194,718	-	75,194,718
Charge for the year	7,770,984	-	7,770,984
Disposals	(363,362)	-	(363,362)
<b>At 31 March 2025 (notes 22/23)</b>	<b>82,602,340</b>	<b>-</b>	<b>82,602,340</b>
<b>Net book value</b>			
<b>At 31 March 2025 (notes 22/23)</b>	<b>(309,049,530)</b>	<b>(44,292,534)</b>	<b>(353,342,064)</b>
<b>At 31 March 2024 (notes 22/23)</b>	<b>(311,293,892)</b>	<b>(17,204,265)</b>	<b>(328,498,157)</b>

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

**16 Other tangible fixed assets**

<b>Association</b>	<b>Freehold buildings</b>	<b>Office furniture and equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2024	2,247,180	3,320,217	5,567,397
Additions	9,533	498,721	508,254
Disposals	-	(1,517,202)	(1,517,202)
<b>At 31 March 2025</b>	<b>2,256,713</b>	<b>2,301,736</b>	<b>4,558,449</b>
<b>Depreciation</b>			
At 1 April 2024	(1,263,371)	(2,264,035)	(3,527,406)
Charge for year	(31,916)	(348,364)	(380,280)
Disposals	-	1,517,202	1,517,202
<b>At 31 March 2025</b>	<b>1,295,287</b>	<b>1,095,197</b>	<b>(2,390,484)</b>
<b>Net book amount</b>			
<b>At 31 March 2025</b>	<b>961,426</b>	<b>1,206,539</b>	<b>2,167,965</b>
At 1 April 2024	983,809	1,056,182	2,039,991

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

17 Investment Property

Association	Commercial/ Private Properties Held for Letting 2025 £	Total 2025 £
<b>Cost or valuation</b>		
At 1 April 2024	17,503,194	17,503,194
Planned Mtce additions	17,833	17,833
Revaluation gain at 31st March 2025	856,312	856,312
<b>At 31 March 2025</b>	<b>18,377,339</b>	<b>18,377,339</b>

The valuation of investment properties held for letting was carried out at 31 March 2025 and is based on their market value as at that date. The valuations across the Group were carried out by CBRE Limited, a firm of RICS registered valuers in accordance with Royal Institute of Chartered Surveyors (“RICS”) Valuation – Global Standards and the UK national supplement using qualified chartered surveyors who had sufficient current local and national knowledge of the particular market, and skills and understanding to undertake the valuation competently. Investment properties under construction are valued at cost. The companies have adopted the provisions under section 16.1 and 16.2 of FRS 102 in relation to the revaluation of their investment properties (fair value movements being taken to the Statement of Comprehensive Income). On consolidation of the Group’s housing property values, any unrealised surpluses deriving from inter-group property sales are removed.

18 Investments

Group	2025 £
<b>Cost</b>	
At 1 April 2024	20,085
<b>At 31 March 2025</b>	<b>20,085</b>

The group owns an investment in share capital in MORHOMES PLC, a company registered in England and Wales. The company’s registered address is the 8<sup>th</sup> Floor, 71 Queen Victoria Street, London, Greater London, EC4V 4AY. The company’s principal activity is financial intermediation.

Association	2025 £
<b>Cost</b>	
At 1 April 2024	25,087
<b>At 31 March 2025</b>	<b>25,087</b>

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

As well as the Group investments listed above the investment represents the Association's holding in wholly owned subsidiary companies, (i) Clanmil Properties Limited, (ii) Milbreen Limited and (iii) Clanmil Developments Limited. The registered addresses of these companies are Northern Whig House, 3 Waring Street, Belfast, BT1 2DX. The principal activities of these companies are (i) the management of commercial property rentals and the provision of services to housing associations and property management companies (ii) dormant company and (iii) the provision of property development services. In addition, we hold 85 shares in management companies in which the association has beneficial interests in properties.

**19 Debtors**

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Rental Debtors Gross - Technical	2,363,982	2,049,448	2,363,982	2,049,448
Rental Debtors Gross - Non Technical	1,277,637	1,274,553	1,277,637	1,274,553
Provision for Bad Debts	(1,928,495)	(1,783,226)	(1,928,495)	(1,783,226)
Net Rental (including rates, service charges) Debtors	1,713,124	1,540,775	1,713,124	1,540,775
Other Debtors	6,305,419	5,808,247	6,032,304	5,569,763
Prepayments and accrued income	3,293,154	2,832,940	1,578,985	840,650
Housing Association Grant receivable	26,247,260	13,934,356	26,247,260	13,934,356
Amounts owed by subsidiary undertakings (Note 37)	-	-	419,824	357,766
	<b>37,558,957</b>	<b>24,116,318</b>	<b>35,991,497</b>	<b>22,243,310</b>

Amounts owed by subsidiary undertakings and related undertakings are unsecured, interest free and repayable on demand. Included in other debtors is £1,596,515 relating to the services equalisation account – this has increased from a debtor of £1,461,250 in 2024.

**20 Current asset - Investments**

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Short term deposits - Other	24,226,556	18,954,304	24,226,556	18,954,304
Total Short term deposits	24,226,556	18,954,304	24,226,556	18,954,304

This represents cash held on deposit with an original maturity between 1 and 12 months. At the balance sheet date, the average maturity of the deposits was 3 months. The average interest rate was 4.6% (2024: 4%).

The funds received from DfC are being temporarily held pending utilisation in accordance with the terms of the Financial Assistance Agreements.

**21 Cash at bank and in hand**

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Other cash balances held short term	21,069,011	9,578,621	20,735,544	9,091,605
	<b>21,069,011</b>	<b>9,578,621</b>	<b>20,735,544</b>	<b>9,091,605</b>

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

22 Creditors: amounts falling due within one year

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Bank Loans (Note 24)	2,289,869	1,670,519	2,289,869	1,670,519
DfC Loans (Note 24)	100,000	131,176	100,000	131,176
Other taxes and social security	17,057	193,902	2,249	193,902
Rent, rates and service charges received in advance	860,783	573,345	860,783	573,345
Housing Association Grant in advance	23,078,636	14,209,705	23,078,636	14,209,705
Deferred historic building grant	22,668	22,668	22,668	22,668
Other creditors	9,471,993	7,866,355	9,078,345	7,353,751
Amounts owed to subsidiary undertakings	-	-	-	100,467
Services equalisation accounts	131,993	110,368	131,993	110,368
Accruals and deferred income	6,943,717	5,314,740	5,623,160	3,538,767
Disposal proceeds fund	-	1,847,678	-	1,847,678
Housing Association Grant (Note 15)	7,772,191	7,719,404	7,772,191	7,719,404
	<b>50,688,907</b>	<b>39,659,860</b>	<b>48,959,894</b>	<b>37,471,750</b>

Amounts owed to subsidiary undertakings are unsecured, interest free and repayable on demand.

23 Creditors: amounts falling due after more than one year

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Bank Loans (Note 24)	221,798,293	194,704,930	221,798,293	194,704,930
DfC Loans (Note 24)	8,100,000	8,300,000	8,100,000	8,300,000
Disposal proceeds fund	-	1,241,109	-	1,241,109
Housing Association Grant (Note 15)	345,569,873	320,778,753	345,569,873	320,778,753
	<b>575,468,166</b>	<b>525,024,792</b>	<b>575,468,166</b>	<b>525,024,792</b>

The balance of the disposal proceeds fund has been fully utilised in the year to 31 March 2025.

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

**24 Loans**

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
<b>Bank loans - Housing property and other loans</b>				
Less than one year , or on demand (Note 22)	2,289,869	1,670,519	2,289,869	1,670,519
Between one and two years	2,292,562	1,670,519	2,292,562	1,670,519
Between two and five years	6,895,032	6,682,075	6,895,032	6,682,075
After more than five years	212,610,699	186,352,336	212,610,699	186,352,336
	<b>224,088,162</b>	<b>196,375,449</b>	<b>224,088,162</b>	<b>196,375,449</b>

**Security**

The Danske Bank holds a mortgage over related housing properties as security.

First Trust and Ulster Bank loans are secured by way of mortgages upon the deeds of the related housing properties.

The Housing Finance Corporation loans are secured by way of mortgages upon the deeds of the related housing properties.

Senior notes are secured by way of mortgages upon the deeds of the related housing properties.

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
<b>Department for Communities - Housing Property Loans</b>				
Less than one year , or on demand (Note 22)	100,000	131,176	100,000	131,176
Between one and two years	100,000	100,000	100,000	100,000
Between two and five years	300,000	300,000	300,000	300,000
After more than five years	7,700,000	7,900,000	7,700,000	7,900,000
	<b>8,200,000</b>	<b>8,431,176</b>	<b>8,200,000</b>	<b>8,431,176</b>

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

25 Financial instruments

The group has the following financial instruments:

	Group 2025	2024	Association 2025	2024
	£	£	£	£
<b>Financial assets that are cash instruments measured at amortised cost</b>				
Rental debtor (Note 19)	1,713,124	1,540,775	1,713,124	1,540,775
Other debtors (Note 19)	6,305,419	5,808,246	6,032,304	5,569,763
Housing association grants - receivable (Note 19)	26,247,260	13,934,356	26,247,260	13,934,356
Amounts owed by subsidiary undertakings (Note 19)	-	-	-	-
Accrued income (Note 19)	-	100,467	-	-
Investments (Note 20)	24,226,556	18,954,304	24,226,556	18,954,304
Cash at bank and in hand (Note 21)	21,069,011	9,578,621	20,735,544	9,091,605
	<b>79,561,370</b>	<b>49,916,769</b>	<b>78,954,788</b>	<b>49,090,803</b>
<b>Financial liabilities measured at amortised cost</b>				
DfC loans (Note 22/23)	8,200,000	8,431,176	8,200,000	8,431,176
Bank loans (Note 24)	224,088,162	196,375,449	224,088,162	196,375,449
Amounts owed to subsidiary undertakings (Note 22)	-	-	-	100,467
Other creditors (Note 22)	9,471,993	7,866,355	9,078,345	7,353,751
Accruals (Note 22)	6,943,717	5,314,740	5,623,160	3,538,767
	<b>248,703,872</b>	<b>217,987,720</b>	<b>246,989,667</b>	<b>215,799,610</b>

26 Called up share capital

	Group 2025	2024	Association 2025	2024
	£	£	£	£
<b>Ordinary shares of £1 each, fully paid</b>				
At 1 April 2024	10	11	10	11
Transfer	0	0	0	0
Allotted during the year	1	1	1	1
Transfer to reserves	(3)	(2)	(3)	(2)
<b>At 31 March 2025</b>	<b>8</b>	<b>10</b>	<b>8</b>	<b>10</b>

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

27 Net cash inflow from operating activities - Group

	2025	2024
	£	(Restated) £
<b>Surplus on ordinary activities</b>	<b>10,334,656</b>	10,882,177
Surplus arising from disposals of housing property	(239,122)	(1,330,754)
Transfer to disposal proceeds fund	192,256	1,241,069
Interest receivable and similar income	(2,367,607)	(707,556)
Interest payable and similar charges	6,852,204	6,486,360
Other finance costs	58,000	54,000
<b>Operating Surplus</b>	<b>14,830,387</b>	16,625,296
Movement in service charges equalisation account	(131,527)	665,739
Depreciation charge	10,942,192	10,270,090
Amortisation charge	(7,770,984)	(8,691,425)
Release of capital grant	(818,280)	(2,361,807)
Movement in debtors	(1,125,281)	(1,038,035)
Movement in creditors	(486,544)	1,522,464
Movement in WIP	-	2,301
<b>Net cash inflow from operating activities</b>	<b>15,439,963</b>	16,994,623

28 Analysis of net debt

	At 1 April 2024	Cashflow	At 31 March 2025
Cash at bank and in hand	9,578,621	11,490,390	21,069,011
Short term investments	18,954,304	5,272,252	24,226,556
<b>Cash and cash equivalents</b>	<b>28,532,925</b>	<b>16,762,642</b>	<b>45,295,567</b>
Debt due after 1 year	(203,004,930)	(26,893,363)	(229,898,293)
Debt due within 1 year	(1,801,695)	(588,174)	(2,389,869)
	(176,273,700)	(10,718,895)	(186,992,595)

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

29 Reconciliation of net cash flow to movement in net debt

	2025	2024
	£	£
(Decrease)/Increase in cash and cash equivalents in financial year	16,762,642	17,561,242
Repayment of loans	2,518,463	12,335,965
New loans	(30,000,000)	(35,000,000)
<b>Movement in net debt in the financial year</b>	<b>(10,718,895)</b>	<b>(5,102,793)</b>
Net debt at 1 April	(176,273,700)	(171,170,907)
<b>Net debt at 31 March</b>	<b>(186,992,595)</b>	<b>(176,273,700)</b>

30 Turnover, operating costs and operating surplus - Association

	2025		2024	
	Operating Turnover	Operating Costs	Operating Surplus	Operating Surplus
	£	£	£	£
Social Housing activities	52,456,758	39,435,327	13,021,431	15,300,413
Non-Social Housing activities	2,123,332	314,376	1,808,956	1,336,021
<b>Total</b>	<b>54,580,090</b>	<b>39,749,703</b>	<b>14,830,387</b>	<b>16,636,434</b>

31 Housing Stock – Association

<b>Number of units owned on 31 March</b>	<b>2025</b>	<b>2024</b>
<b>Self-contained</b>		
General needs housing	3,815	3,760
Supported housing (including housing with care)	122	122
Sheltered housing	1,707	1,672
Shared Ownership/ Affordable Housing	200	198
	<b>5,844</b>	<b>5,752</b>
<b>Non Self contained</b>		
Supported	136	136
<b>Total Units Owned</b>	<b>5,980</b>	<b>5,888</b>
<b>Number of units managed (but not owned) on 31 March</b>		
<b>Self-contained</b>		
General needs	-	-
<b>Total Units Owned and Managed</b>	<b>5,980</b>	<b>5,888</b>



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

**32 Turnover, operating costs and operating surplus or deficit from social and non-social housing activities – Association (continued)**

	Association	
	2025	2024
DSD Allowances		
<b>Management Allowances</b>	<b>2,696,860</b>	2,592,432
Management Costs	<u>(6,401,023)</u>	<u>(5,713,282)</u>
<b>Surplus / Deficit</b>	<b><u>(3,704,163)</u></b>	<b><u>(3,120,850)</u></b>
<b>Maintenance Allowances</b>	<b>2,141,978</b>	2,103,290
Planned and cyclical maintenance	<u>(1,046,850)</u>	<u>(1,225,951)</u>
Reactive maintenance	<u>(3,394,120)</u>	<u>(2,970,726)</u>
<b>Surplus / Deficit</b>	<b><u>(2,298,992)</u></b>	<b><u>(2,093,387)</u></b>
<b>Gross Income from Rents and service charges</b>		
Technical	34,700,922	31,034,880
Non Technical	<u>10,149,654</u>	<u>10,631,948</u>
Total	<b><u>44,850,576</u></b>	<b><u>41,666,828</u></b>

Note that the Association operates a rent pooling policy. This can impact on the assessment of surplus or deficit arising from a particular type of housing activity.

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

**33 Pension commitments**

The Association participates in the defined benefit section of the Social Housing Pension Scheme (SHPS). The Association offers a hybrid arrangement where employees can join the Career Average Revalued Earnings (CARE) structure with a 1/120th accrual rate, as well as receiving contributions from the Association to the defined contribution section of SHPS.

SHPS is a UK registered trust-based pension scheme. SHPS is a multi-employer scheme with around 400 non-associated employers. SHPS is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from SHPS.

Verity Trustees are responsible for running SHPS in accordance with the Trust Deed and Rules, which sets out their powers. The Trustee of the SHPS is required to act in the best interests of the beneficiaries.

The Trustee is required to carry out an actuarial valuation every 3 years. The last triennial actuarial valuation of SHPS for funding purposes was carried out as at 30 September 2023. This valuation revealed a total scheme deficit of £693m. A recovery plan has been put in place with each employer paying contributions with the aim of removing this deficit by 31 March 2028. The Association expects to pay £328k towards the funding deficit in SHPS during the accounting year beginning 1 April 2025. The Association's share of expenses in relation to running SHPS are paid in addition. The next actuarial valuation as at 30 September 2026, is due in September 2027.

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2025 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. The Association's potential share is estimated at £265k. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

Pension costs for accounting purposes have been calculated using assumptions consistent and appropriate with FRS 102.

**Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)**

	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Fair value of plan assets	6,568	6,317
Present value of defined benefit obligation	7,444	7,796
Surplus (deficit) in plan	(876)	(1,479)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(876)	(1,479)

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

**33 Pension commitments (continued)**

**Reconciliation of opening and closing balances of the defined benefit obligation**

	<b>Period from 31 March 2024 to 31 March 2025 (£000s)</b>
Defined benefit obligation at start of period	7,796
Current service cost	255
Expenses	12
Interest expense	394
Member contributions	13
Actuarial losses (gains) due to scheme experience	416
Actuarial losses (gains) due to changes in demographic assumptions	-
Actuarial losses (gains) due to changes in financial assumptions	(1,340)
Benefits paid and expenses	(102)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	7,444

**Reconciliation of opening and closing balances of the fair value of plan assets**

	<b>Period from 31 March 2024 to 31 March 2025 (£000s)</b>
Fair value of plan assets at start of period	6,317
Interest income	336
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(918)
Employer contributions	922
Member contributions	13
Benefits paid and expenses	(102)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	6,568

The actual return on plan assets (including any changes in share of assets) over the period ended 31 March 2025 was (£582,000).

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

**33 Pension commitments (continued)**

**Defined benefit costs recognised in statement of comprehensive income (SOCl)**

	Period from 31 March 2024 to 31 March 2025 (£000s)
Current service cost	255
Expenses	12
Net interest expense	58
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
<b>Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)</b>	<b>325</b>

**Defined benefit costs recognised in other comprehensive income**

	Period from 31 March 2024 to 31 March 2025 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(918)
Experience gains and losses arising on the plan liabilities - gain (loss)	(416)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,340
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	6
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
<b>Total amount recognised in Other Comprehensive Income - gain (loss)</b>	<b>6</b>

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

**33 Pension commitments (continued)**

**Assets**

	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Global Equity	736	629
Absolute Return	-	247
Distressed Opportunities	-	223
Credit Relative Value	-	207
Alternative Risk Premia	-	200
Liquid Alternatives	1,218	-
Emerging Markets Debt	-	82
Risk Sharing	-	370
Insurance-Linked Securities	20	33
Property	329	254
Infrastructure	1	638
Private Equity	6	5
Real Assets	786	-
Private Debt	-	248
Opportunistic Illiquid Credit	-	247
Private Credit	804	-
Credit	251	-
Investment Grade Credit	202	-
High Yield	-	1
Cash	89	125
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	2	41
Secured Income	110	189
Liability Driven Investment	1,989	2,570
Currency Hedging	11	3
Net Current Assets	14	11
<b>Total assets</b>	<b>6,568</b>	<b>6,317</b>

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

**Key Assumptions**

	<b>31 March 2025</b>	<b>31/03/2024</b>
	<b>% per annum</b>	<b>% per annum</b>
Discount Rate	6.00%	5.00%
Inflation (RPI)	3.00%	3.10%
Inflation (CPI)	2.80%	2.80%
Salary Growth	3.80%	3.80%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	<b>Life expectancy at age 65 (Years)</b>
Male retiring in 2025	20.3
Female retiring in 2025	22.8
Male retiring in 2045	21.5
Female retiring in 2045	24.3

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

**34 Contingent liabilities**

The Association released Housing Association Grant (net of amortisation) of £669,878 during the year in relation to building components replaced arising from planned maintenance works. The accumulated position of total Housing Association Grant released at 31 March 2025 is £7,863,350. The accumulated amount of Housing Association Grant amortised and recognised as income as at 31 March 2025 is £82,602,340. The possibility of any reimbursement to the Department for Communities is considered to be unlikely as the housing properties are expected to continue to be made available for social housing for the foreseeable future.

**35 Capital commitments - Housing Properties – Association**

	2025	2024
	£	£
<b>Capital expenditure</b>		
Contracted for but not provided in the financial statements	<b>68,206,560</b>	63,511,436

The Association anticipates that this expenditure will be funded by Housing Association Grant from the Department for Communities and by private finance, both external and internal.

**36 Restricted fund – Supporting People**

	Total
	£
Income relating to Supporting People Funding	559,612
Additional Supporting People Hardship Funding	5,767
Expenditure relating to Supporting People Funding	(664,292)
<b>At 31 March 2025</b>	<b>(98,913)</b>

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

**37 Related party disclosures**

Details of the subsidiaries are disclosed in Note 18. The balances with the subsidiaries at the year-end were as follows:

	2025	2024
	£	£
<b>Amounts owed by subsidiary undertakings (note 19)</b>		
Clanmil Properties Limited	119,670	183,003
Clanmil Developments Limited	300,154	174,763

	2025	2024
	£	£
<b>Amounts owed to subsidiary undertakings (note 22)</b>		
Clanmil Properties Limited	9,876	-
Clanmil Developments Limited	-	100,467

Transactions between these related parties during the year were as follows:	2025	2024
	£	£
<b>Clanmil Properties Limited</b>		
Rent charge from Clanmil Housing Association Limited to Clanmil Properties Limited	-	111,349
Management and administration charge from Clanmil Housing Association Limited to Clanmil Properties Limited	61,100	64,177
Contribution from Clanmil Properties Limited to Clanmil Housing Association Limited in respect of the insurance of Northern Whig House	-	1,852
Gift aid donation from Clanmil Properties Limited to Clanmil Housing Association Limited	30,463	61,058
Rent and service charges from Clanmil Properties Limited to Clanmil Housing Association Limited	-	115,371
<b>Clanmil Developments Limited</b>		
Management and administration charge from Clanmil Housing Association Limited to Clanmil Developments Limited	24,794	24,794
Development projects charge from Clanmil Housing Association Limited to Clanmil Developments Limited	64,028	97,375
Charge from Clanmil Developments Limited to Clanmil Housing Association Limited for the provision of property development services	8,500,822	6,196,560
Gift aid donation from Clanmil Developments Limited to Clanmil Housing Association Limited	55,022	28,161

**Notes to the financial statements for the year ended 31 March 2025****38 – Income and Expenditure Account - Prior Period Adjustment**

The accounts for year ended 31 March 2025 include a change in accounting policy in relation to capitalisation of interest. Previously interest incurred was fully expensed to income and expenditure in the year. Interest incurred during development of qualifying assets is now capitalised by increasing asset additions in the year and reducing interest charged in the income and expenditure account.

The cumulative impact of this change in accounting policy on the comparative figures to 31 March 2024 is to increase fixed asset additions by £425,754 and to reduce interest payable by £425,754. The full adjustment of £425,754 was added to the restated Income and Expenditure account for year ended 31 March 2024. There is no adjustment to opening reserves as at 1 April 2024, as 1 April 2024 was the earliest practical period from which the impact of the change in accounting policy could be calculated.

The capitalised interest for the year ended 31 March 2025 is £693,677.

**Clanmil Housing Association Limited**

Northern Ireland - Charity number 103840

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# Accounts

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**Clanmil Housing Association Limited**  
**Annual Statement of Accounts**  
**for the year ended 31 March 2024**

**Annual Statement of Accounts for the year ended 31 March 2024**

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## Board and advisers

### Board

M Monaghan MBE MSc (Chair)  
M McCann MA (Vice Chair)  
P Cassidy BA (QUB) CPFA  
N Adams BSc (Hons)  
K O'Neill Meng  
D Orr CBE MA  
A Rankin MBE BA (MOD) (retired 6 July 2023)  
R Williamson BA (retired 6 July 2023)  
L Hannigan BSc (Hons) MRICS  
N Hill BSc Econ (Hons) FCPFA  
E Patterson MSc CIHCM  
J Hannigan FCCA MBA FCIH CDir  
C Lillie BA (Hons) (co-opted from 6 July 2023)

### Chief Executive and Company Secretary

C McTaggart Adv Dip CIHCM AssocRICS MCMI

### Registered office

Northern Whig House  
3 Waring Street  
Belfast  
BT1 2DX

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, No. IP000136

### Solicitors (primary)

Mills Selig  
21 Arthur Street  
Belfast  
BT1 4GA

### Bankers (primary)

Danske Bank  
Donegall Square West  
Belfast  
BT1 6SJ

### Independent auditors

ASM (B) Ltd  
Chartered Accountants and Statutory Auditors  
Glendinning House  
6 Murray Street  
Belfast  
BT1 6DN

## Strategic report of the Board for the year ended 31 March 2024

The Board present their strategic report and the audited financial statements for the year ended 31 March 2024 of Clanmil Housing Association Limited (the “Association”) and its subsidiaries (the “Group”).

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

### Gender analysis

The Executive Team of the Association comprises 3 females and 3 males at year end. The Group had 334 employees on the 31 March 2024, both part and full time, of which 105 are male and 229 are female.

### Status

Clanmil Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP000136) and is a Registered Housing Association.

The Association is a registered charity with HMRC (Charity No. XR 43042).

The Association is registered with the Charity Commission for Northern Ireland (Registration No. NIC103840).

### Group structure

Clanmil Housing Association Limited provides social and affordable housing in Northern Ireland and is the controlling member of the Group. Clanmil Developments Limited provides property development services to assist Clanmil Housing Association in delivering its social housing development programme. Clanmil Properties Limited manages commercial property rentals and provides services to property management companies and other Housing Associations/Organisations. Milbreen Limited is currently dormant but intends to develop housing for sale.

Refer to note 18 for details of Clanmil Housing Association Limited’s investments in subsidiary undertakings.

### Principal activities

The Group provides over 5,800 high quality homes for rent throughout Northern Ireland and helps facilitate home ownership for people who cannot afford to purchase a home outright through its shared equity product.

Our homes are allocated to people from the housing selection scheme managed by the Northern Ireland Housing Executive.

A wide range of people live in our homes. All share a need for a good quality home, and to be part of a sustainable community where they can live well, flourish and thrive. We offer a wide range of high quality housing and services including:

- homes for families and single people;
- housing and support for older people;
- supported housing for older people with dementia and for people with learning disabilities and mental ill-health;
- hostels providing temporary refuge for women and their children escaping domestic violence;
- houses for Irish Travellers; and
- supported housing for young people leaving care.

Our equity share, part-buy, part-rent scheme makes home ownership achievable for people who cannot afford to purchase a home outright. It allows first time buyers to purchase a share in a home and pay rent on the remaining share, with an option to buy the remainder at a time that suits them.

## Strategic report of the Board for the year ended 31 March 2024 (cont'd)

### Shaping our Future Strategy 2026

In April 2021 we launched our new Strategy, Shaping our Future and we began our shaping our future journey set out in a bold five year strategic plan. This plan was co-designed by colleagues, customers and stakeholders, and is both challenging and ambitious and provides, we believe, focus for us all, whilst reinforcing the importance of genuine partnerships that help our customers thrive and flourish within sustainable communities.

Together we want to:



#### Leave a positive experience

- We believe there's always an opportunity to leave a positive lasting impression if you show compassion and demonstrate you care
- We see the person, not the problem
- Whilst we know that sometimes we might have to have a tough conversation or make a hard decision, we will always act with honesty, fairness and respect regardless of the circumstances
- We are a people business, so trust and great relationships are crucial



#### Believe in better

- With a world of opportunity and a head full of possibility, we have a shared ambition to do more
- We challenge ourselves, each other, what we do and the world around us to not just settle but improve and strive for better
- We remain curious about what could be, embracing change whilst never losing sight of what we believe in
- We are a force for good, so we're confident to stand up and be counted



#### Achieve together

- Together we are stronger, it's as simple as that
- By working as one with colleagues, customers and communities we can make real change happen, overcome challenges and move things forward with great energy
- We all see the world differently, and we might not always agree. We embrace that
- We celebrate our diversity and the benefit that brings as we know that with unity comes strength

The five key aims of our Strategy are:



### Build and maintain quality homes whilst preserving the environment

Having the right place to call home is an essential part of being able to live well. With that in mind we want to play a leading role in tackling the housing crisis in Northern Ireland. We want to strengthen existing communities and help to create new ones through the development of new sustainable homes that are built for the future. The homes we build will be well maintained, safe and energy efficient. Climate change is the challenge of a generation so we must play our part in reducing our carbon footprint. We aim to:

- Build and develop up to 1,400 well designed, energy efficient, mixed-tenure homes in the next five years.
- Target the design and delivery of new homes in both urban and rural areas with the greatest housing need.
- Be innovative in our delivery and adopt all affordable delivery options, including modern methods of construction, to minimise our carbon footprint.
- Invest in actively managing our assets, making them safe and attractive places to live.
- Subsidise our core activity by diversifying our approach, capitalising on new opportunities for growth through initiatives such as the empty and affordable homes schemes.



### Provide services that make life easier for our customers

We want our customers to sustain their tenancies for as long as they choose. It's important that we remain responsive to changing customer needs and that we make life easier for them by making it easy to do business with us. We need to build and maintain healthy, trusting and respectful relationships with our customers, so they are empowered to help shape the standard of services we provide. We will:

- Create services that provide a great customer experience, being clear about what we offer and how we work to support diverse customer needs.
- Build trusting relationships by getting to know our customers, their communities and listening to their individual needs.
- Working in partnership with other service providers, create an environment where stable communities can thrive and customers are empowered to make informed decisions that are right for them.
- Create more opportunities for regular and robust customer feedback to generate quality insights that will help us to continually enhance our services.
- Develop an excellent multi-channel approach to serving our customers, giving customers a real choice in how they want to talk to us.

Strategic report of the Board for the year ended 31 March 2024 (cont'd)



**Create a brilliant and sustainable organisation, fit for the future**

In a world of digital, environmental and social disruption we must be ready to change and adapt to fulfil our purpose, and as a business we're only as good as our people and that's why we want to create a great place to work. We realise that to achieve our ambitions we must have financial strength and operational efficiency, and that we have to manage our business to the highest standards. This will come through robust financial management and systems, as well as seeking to potentially generate additional revenue that we can re-invest for the benefit of our customers. We seek to:

- Review our organisational design and capability to ensure we have the right people and expertise to deliver our strategy, managing and communicating change well.
- Strengthen our employer brand and offer to retain great people and attract diverse new talent.
- Lead with our new values and create the right culture where people can deliver their best work.
- We will create more opportunities for colleagues to contribute, feel empowered, supported in personal and professional development and have their voices heard.
- Deliver organisational efficiency and operational excellence by maximising the benefits of new and existing technologies to improve our end-to-end processes.
- Optimise our financial group structure and identify opportunities for future growth through partnership or innovation, launching new effective services for our customers and communities.



**Be a respected voice to grow our impact**

We believe that everyone has the right to a quality home and the opportunity to live in a safe and supportive community, that's why we will stand up and be heard when it comes to social housing. We want people to understand the importance of the sector and we want to add our voice to future housing policy so that we can ensure the issues that really impact on people's lives are addressed. We will promote a positive view of Clanmil, both locally and regionally, to create both interest and demand in partnering with us or in becoming a customer. This will be achieved by:

- Creating strong, trusted and productive relationships with new and existing stakeholders.
- Initiating change, influence policy and be leaders within the housing sector to deliver our purpose.
- Powerfully communicating our new strategy and brand so people understand who we are, what we do and how we add value to people's lives.
- Using the right communication channels to effectively engage our audiences and maximise our impact, sharing our successes beyond the housing sector.
- Cultivating new partnerships with service providers that are beneficial in helping our customers to live well, whilst also addressing future societal challenges.



**Reach, connect and collaborate to strengthen communities**

We know that some communities do not get the chance to thrive. We believe there are more ways in which we can support people and their communities beyond simply providing them with a home. We want to help make this a more shared place and we know that shared communities have a lasting positive impact on people's lives. We appreciate the value in developing great partnerships and we understand the importance of these in supporting our customers. We want to maximise these partnerships so that customers know where to look for guidance, help and expertise. We aim to:

- Focus our resources on the people who need most support, working closely with expert partners to deliver more services that communities need.
- Commission a review of existing community development activity to identify the biggest challenges and opportunities; determining whether we lead, leave, collaborate or delegate.
- Contribute to building stable communities by supporting people to live well and keep their homes. We will achieve this through financial inclusion services, creating opportunities and by exploring new ways of tackling isolation in a post-COVID world.
- Support our existing shared communities and deliver at least five more shared schemes that are welcoming to all and give people the choice of living alongside neighbours from many backgrounds and traditions.
- Raise environmental awareness by nurturing a community culture that values the environment, community landscapes and energy efficiency.

## Strategic report of the Board for the year ended 31 March 2024 (cont'd)

### Our Performance

For the core business areas the Board has set a number of key performance indicators - these include rent arrears, voids, customer satisfaction, growth, maintenance repair times, staff turnover and financial stability. Our performance is also assessed through a number of statutory inspection regimes, and we are committed to continuing to achieve the highest standards.

The financial year to 31 March 2024 was impacted by the continued cost of living crisis and economic turmoil arising from the Russian invasion of Ukraine and the conflict in Gaza. We experienced difficulties with the delivery of our repairs service in the latter part of the year. Of over 26,000 repairs we processed in the year, only two-thirds were completed on time, this is disappointing, and we apologise to our customers and colleagues and thank them for their patience and support as we work with a number of interim contractors to resolve the backlog. We also experienced significant increases in repair costs and in common with our customers, energy costs and financing costs.

We assess our performance by how satisfied our customers are with the homes and services we provide. We regularly seek feedback from the people who live in our homes on everything from repairs to neighbourhoods.

For the financial year ending 2023/24, following an independent survey,

- 68.2% of our tenants were satisfied with our overall service;
- 74.8% were satisfied with the quality of their home; and
- 73.0% were satisfied with their neighbourhood as a place to live.

We continue to focus on the services that matter to our customers and are working with them to improve satisfaction levels.

The Group continues to grow and efficiency savings are reinvested where appropriate to improve existing services, deliver additional services, maintain and improve the condition and value of our homes as well as the delivery of new homes.

We strive to operate efficiently and effectively, and outputs are monitored by the Board who receive performance reports covering a variety of financial and non-financial performance information.

In challenging operating conditions, the Association achieved the following performance against its key targets for 2023/24:

Performance Indicator	Actual 2023/24	Target 2023/24	Comment
Gearing ratio	32%	45%	Gearing is now calculated in line with new loan covenants as debt as a percentage of gross book value of property. The Group was fully compliant with loan covenants during the year.
Interest cover	3.25 times	1.25 times	Now calculated excluding major repairs. Better performance than target. The Group was fully compliant with interest cover covenants during the year.
Operating margin	31.6%	30.9%	Operating margin of 32% can be partly attributed to effective procurement, operational efficiencies and increased income in the year.
Social Housing arrears including rent, rates and service charges	5.6%	5.1%	Performance impacted by the ongoing impact of the cost of living crisis and impact on our customers, increase in numbers of customers moving onto Universal Credit as well as court delays, in pursuing judgements to recover rent arrears.
Social Housing voids	2.0%	2.5%	Performance continued to improve, work now focussed on key properties.
Response maintenance repairs completed within timescale	66.6%	92%	Repairs completion performance fell to 66.6% overall impacted by response times increasing in the latter part of the year. As part of a strategic improvement plan we are currently procuring 7 regional response maintenance contracts with renewed focus on job completion and improving customer satisfaction.
Customer satisfaction	68.2%	90%	Whilst this reflects a very slight improvement on 22/23 the outturn of 67.9% this remains a key area of focus.

## Strategic report of the Board for the year ended 31 March 2024 (cont'd)

The management of financial resources is critical to the Group's ability to meet its objectives. Whilst the registered Housing Association has voluntary non-profit making status, the generation of an annual surplus is vital to ensure the ongoing investment in our existing homes, the delivery of new homes to play our part in alleviating the housing crisis in Northern Ireland, providing for longer term maintenance obligations, to meet our commitments to lenders, and to generally ensure adequate protection against unforeseen circumstances.

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

- 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;
- Professional and dedicated staff who are committed to the Group's objectives; and
- A proven ability to play its part in the delivery of the social housing development programme.

### Colleagues

Our success is due to the commitment and professionalism of the people who work at Clanmil. Our teams worked incredibly hard in difficult circumstances this year to share and promote our values ensuring that our customers remain at the heart of everything we do.

The Group's total staff costs increased from £9.2m in 2022/23 to £10.2m in 2023/24. As a percentage of turnover staffing costs increased slightly from 19.3% in 2022/23 to 19.4% in 2023/24. Sickness absence levels reduced from 4.5% in 2022/23 to 3.44% in 2023/2024, Labour turnover decreased from 17% in 2022/23 to 16.5% in 2023/24.

### Value for Money (VfM)

Achieving value for money remains a key business objective. Our aim is to utilise our assets and resources as much as possible to meet the needs of existing and future customers.

To do this we continue to work collaboratively across Clanmil, harnessing the innovation and creativity of our people, our customers and stakeholders to deliver improvements through efficiency, effectiveness and economy.

Through effective procurement activity over the year, Clanmil achieved savings of £1,271,124 through the tendering of 10 projects with a value deemed to be over £30,000.

In addition, 13 individual quotation exercises were undertaken (i.e. they were under £30,000 each), which ensured we received the best value for money in relation to a £110,355 saving based on the lowest and second lowest quotation received.

The total savings generated to the business across these 20 various procurement activities was £1,381,480.

Through positive social impact we:

- Assisted 1,144 customers with money advice
- Helped them secure £3.6m in additional income, an increase from £3.0m in 2022-23,
- Supported 158 customers to set up and run their homes by accessing discretionary support grants with an average award of £1,545 each
- Worked with contractors to secure £7,500 in cash, £8,150 towards new home starter packs and 10 labour days for Social Value projects

We will continue to integrate Value for Money into our culture as a matter of course, with value defined from the perspective of our customers and the services we deliver.

**Strategic report of the Board for the year ended 31 March 2024 (cont'd)****Delivering more social housing to address the housing need in Northern Ireland**

During the year we continued to make progress to deliver our strategic target of 1,400 new homes by 2026 and saw 261 new homes starting on site bringing the total number of homes under construction at the end of the financial year to 556. Our handover target was impacted by a number of issues across several schemes including delays with statutory bodies and the continued impact of material cost increases and rising inflation, but we did take handover of 60 new homes. The Development team continued to manage construction contracts robustly in line with contract terms.

To achieve the ambition of our Growth Strategy and deliver more homes, we plan to make our assets work harder, through increasing our gearing (which remains within the covenants granted by the lending institutions that have supported us), focusing on driving improvement on voids, investigating complementary income streams and improving operational efficiency. We successfully launched a private placement for £100m in September 2022 complementing the renegotiation of £150m of existing borrowing facilities at more favourable rates in 2021/22. We have £50m of agreed undrawn loan facilities available to assist in funding our growth strategy and meeting ongoing commitments.

We have generated modest surpluses from diversification into housing related activities. The purpose of the diversification is to provide surpluses to continue to subsidise new affordable housing. These diversified activities, albeit on a relatively small scale, are successfully operating in the market rental sector, commercial retail units and Management Agent services.

**Providing good quality and efficient services to tenants**

2023/24 was a busy year for the team at Clanmil who, despite a number of challenges, remained focussed on our core purpose and continued to work hard to deliver the homes and services our customers need.

Our purpose is to provide homes for people to live well at all stages of life and in December 2023 we launched a new Older People Strategy setting out how we will respond to the growing number of older people needing homes and services at a time when social and healthcare provision is under severe pressure. Co designed with customers and colleagues; this strategy will ensure we focus our efforts where they really matter.

The rising cost of living continued to impact many of our customers and our Hardship Fund was a lifeline to many of our customers who were struggling to put food on the table and heat their home. During the year we also provided financial and debt management advice to 1,142 customers generating more than £3.6m additional income for them.

We regularly hear from customers how much they value quality repairs that keep their homes safe, secure and comfortable. It was therefore disappointing when we experienced difficulties with the delivery of this service in the latter part of the year and we worked hard to put interim contractors in place to assist with closing out the backlog and commenced a review of how we could better deliver an efficient and reliable repairs service to meet our customers' needs and we expect to have these new arrangements in place in 2024. However, this did not stop the continuing investment in our homes and we spent £5.4m improving customer homes through replacement kitchens, bathrooms, redecoration, new windows and new heating and fire alarm systems. We also continued to identify and make good any issues with damp and mould working alongside customers to find effective solutions.

We continued to work hard to strive to be a customer centric organisation – one that listens to and acts on what customers are telling us – and during the year we reviewed and updated our lettable standards, standards of service and our customer handbook so that customers are clear on roles and responsibilities and exactly what our offer is. We also refined our approach to customer engagement and are looking forward to building on this in 2024.

**Investing in our communities**

Clanmil is committed to improving community cohesion and good relations by increasing the number of Shared Neighbourhoods across Northern Ireland. During the year we continued to deliver Good Relations Projects to strengthen relationships between our Customers and Communities within a five-mile radius in our current 9 Shared Neighbourhoods in Banbridge, Belfast, Cookstown, Crossgar, Crumlin, Downpatrick, Glenwhirry, Newtownabbey and Newcastle. The Cohesion team are currently working hard to promote a further two schemes in Antrim and during the year we got approval to take forward a further shared housing scheme in Magherafelt.

**Other value for money considerations**

The Association has maintained an operating margin of 32% which can be partly attributed to effective procurement, operational efficiencies and increased income in the year. We continue to avail of the benchmarking provided by Housemark, which enables us to better understand our costs and quality of service provision, leading to better informed decision making.

## Strategic report of the Board for the year ended 31 March 2024 (cont'd)

### Environment

We also focused on making existing homes as energy efficient as they can be, and our new Environmental Strategy 2024-2029 sets out our intent to bring all Clanmil homes to EPC rating C by 2030. This Strategy is our route map towards achieving net zero by 2050, embed environmental protection in all that we do and includes a commitment that the heating systems in our homes will be electric first.

Our strategy has five goals:

1. Design and build energy efficient homes, creating sustainable places to live
2. Effectively manage our energy use and reduce our carbon output
3. Invest in our existing homes to improve their energy efficiency, helping to minimise the impact of fuel poverty on customers and ensure homes are safe, decent and free from dampness and mould
4. Improve our environmental management of waste and water and support biodiversity and habitat.
5. Engage with our customers, colleagues and partners to inform them of our environmental management work and journey towards sustainability and net zero

Currently 99.9% of our stock meet Decent Homes standard. We are working to improve levels of thermal comfort, as a result 86% of our homes are already at EPC rating C. This year we have commenced a 5-year programme of upgrading communal heating systems and to begin the transition to electric home heating. Our electricity supply contracts are all from green renewable tariffs.

Over the year we have continued construction on our exemplar project to meeting EPC rating A. We also reviewed and updated the Clanmil Design Guide which clearly sets out our ambitions for our new homes so that we are minimising the environmental impact of our construction activity and providing energy efficient homes that are cost effective for our customers. We will now design and build all our new homes to EPC rating A.

Details of Clanmil Energy Consumption and Emission Report for the period 1 April 2023 to 31 March 2024 were as follows:

Energy consumption used to calculate emissions (KWH)	
Gas:	6,097,635
LPG:	N/A
Gas Oil	1,967,123
Kerosene	339,409
Electricity:	3,077,145
<b>Total</b>	<b>11,481,312</b>
Emission from combustion of gas (kgCO <sub>2</sub> e)	1,115,440
Emission from combustion of LPG (kgCO <sub>2</sub> e)	N/A
Emission from combustion of heating oil-Kerosene (kgCO <sub>2</sub> e)	83,756
Emission from consumption of heating oi-Gas Oil (kgCO <sub>2</sub> e)	504,567
Emission from purchased electricity (kgCO <sub>2</sub> e)	637,197
Emission from business travel in company owned vehicles (kgCO <sub>2</sub> e)	82,130
Emission from travel in non-company owned vehicles (kgCO <sub>2</sub> e)	58,417
<b>Total Gross (tCO<sub>2</sub>e)</b>	<b>2,442</b>
Intensity ratios: tCO <sub>2</sub> e based on:	
Properties owned:	0.42tCO <sub>2</sub> e/house owned
Energy supplies:	7.51tCO <sub>2</sub> e/supply
Annual Turnover:	4.64tCO <sub>2</sub> e/£100,000

Our business carbon footprint of 2,442 tonnes of CO<sub>2</sub> represents a 11.3% reduction from base year 2021/22. Figures are derived from the Energy Consumption Master Spreadsheet controlled by Clanmil Housing Association containing, Electricity, Natural Gas, LPG, Heating Oil consumption on a monthly basis sourced from invoices.

Company vans mileage data obtained from Clanmil Housing. Non-company owned mileage data obtained from Clanmil Housing.

### For the year ahead 2024/25

Our year ahead will again focus on listening and acting upon what our customers are telling us. We will continue to provide homes and services for people to live well and the provision of a quality, responsive repair service for customers will be a key priority. We will continue on our digital journey maximising the efficiencies we can achieve in the delivery of high-quality services. We will also

**Strategic report of the Board for the year ended 31 March 2024 (cont'd)**

examine opportunities for additional funding to support our continuing development programme to deliver new homes so Clanmil can play its part in alleviating the housing crisis in Northern Ireland given the high number of applicants on the waiting list for a social home.

**Risk Management**

Clanmil continues to manage risk in line with our Risk Management Policy, framework, and governance structures. Responsibility for the identification of risk at a strategic, directorate and operational level is clearly defined, and risks are regularly assessed and reviewed.

Key risks facing the Group are considered by the Board / Group Audit and Risk Committee on a quarterly basis and the Board has adopted a risk-aware strategic approach. Our risk appetite statement is reviewed annually to ensure continued focus on the management of risk as it drives forward the delivery of its strategic ambitions.

Performance in the sector is generally affected by government policies and changing legislation, the impact of the regulatory regime, changes in demographic, political or economic conditions or environmental risks. Some of the major factors which may affect the Group over the next year are:

- Ability to deliver our strategic growth ambition.
- Net zero carbon/sustainability/environmental commitments.
- Ability to deliver a high standard of customer service (associated reputational risks).
- Cyber and data security.
- Fire and building safety, including damp and mould.
- Contract management and supply chain costs.
- Recruitment and retention of the right people.
- Funding pressures associated with the NI Budget.
- Data quality, and particularly the information on existing stock.
- Political environment (including changes in policy, legislation and regulation, welfare reforms and rent control).

**Performance in the year ended 31 March 2024**

Overall the number of properties increased, with 60 new homes handed over, and an additional unit was created in one of our care homes. These were offset by the loss of 19 homes via the right to buy house sales scheme together and 5 shared ownership homes where customers purchased the remaining equity in their homes). Overall the number of properties increased from 5,851 to 5,888 (note 31).

The Association's annual review of rental charges at April 2023 resulted in a 9.0% increase in the majority of rents.

There were 556 homes under construction by the Group at 31 March 2024.

£37.0 m was spent on housing properties additions and component replacement during the year (notes 14 and 17) partially funded by Housing Association Grant of £19.3m (note 15).

Turnover for the Group increased by 10.5% from £47.5m in 2022/23 to £52.5m. This was facilitated by rent increases, together with a £1.3m increase in grant amortised and increased rates recharges of £0.4m.

Group operating costs increased by £1.5m to £35.9m and represent 68.3% of turnover (72.3% in 2022/23). This was impacted by inflationary pressures on maintenance costs, increased salary costs reflect inflationary pressures as well as increased head count.

The surplus on ordinary activities for the Group was £10.5m, an increase of £2.7m over 2022/23. This increase in operating surplus has helped to offset an increase in interest costs resulting from increased borrowing and increasing borrowing costs.

Financing costs increased from £5.6m in 2022/23 to £7.0m. This was in part due to new drawdown of funds secured as part of a Private Placement which was priced before the economic turmoil in September 2022. Loan balances were £204.8m (£182.1m in 2022/23).

Commercial properties comprising commercial premises to let and market rent residential property were revalued at year end 31 March 2024. Overall, the value of these investment properties was impacted by a small decrease on revaluation of £0.1m.

**Strategic report of the Board for the year ended 31 March 2024 (cont'd)**

The Association continues its programme of major repairs and improvements to properties and the total expenditure in the year was £4.2m (excluding associated redecoration). This was £0.6m above planned levels as costs deferred from previous years were caught up on. Expenditure of this type will fluctuate from year-to-year dependent on the age and condition of schemes.

**Events after the balance sheet**

There were no post balance sheet events. The potential ongoing impact of the current economic and political uncertainty is considered under Risk Management and expected performance in 2024/25 is outlined above.

**Expected performance in the year ending 31 March 2025**

Notwithstanding the ongoing economic upheaval, the Group expects further growth in 2024/25, as a result of the significant on-going development programme and the requirement to include inflationary increases in rental charges. Turnover is projected to increase by around 2.5% to approximately £53.8m.

It is planned that approximately 194 additional homes will be completed during the year and after disposals estimated at 7, the total homes owned or managed will increase to approximately 6,075 units (net of right to buy sales and equity share sales).

£5.7m of expenditure regarding the on-going programme of major repairs and improvements to properties is anticipated in the year. The Group operates in a highly regulated environment which can result in associated cost pressures and constraints on income streams. It will continue to develop a co-ordinated corporate approach to achieving efficiency targets in line with the Strategic Plan. Priorities have been set to ensure that efficiencies are gained without an adverse impact on service delivery or service user satisfaction.

**Financial sustainability**

The Group has a robust and comprehensive framework of longer-term financial planning in place. The Board regularly considers the longer-term financial plan which covers a 40-year period. The plan includes sensitivity analysis and compares projected results to funders' covenants where applicable. To demonstrate the robustness of the plan, and to inform the Board of the potential risks associated with the financial plan, several scenario analyses are completed. The most recent plan was considered by the Board in March 2024. This incorporated stress testing on a multi-variate basis that considered the potential downside from economic and business risks potentially arising. This demonstrated that the financial plan does not put undue pressure on the Group, and that through the adoption of planned mitigation strategies the Group can continue to operate within its covenant limits.

By order of the Board



C McTaggart  
Company Secretary  
28 June 2024

## Report of the Board for the year ended 31 March 2024

The Board present their report and the audited financial statements for the year ended 31 March 2024 of Clanmil Housing Association Limited (the "Association") and its subsidiaries (the "Group").

### Board

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

### Performance in the year ended 31 March 2024 and expected performance in the year ended 31 March 2025

The sections on performance in the year ended 31 March 2024 and expected performance in the year ended 31 March 2025, are contained in the strategic report, which forms part of this report.

### Treasury

The Group's treasury management policy facilitates the effective management of cash flows, borrowings, investments and the risks associated with these activities. An update to the policy was approved by the Board in December 2023.

At 31 March 2024 the Association had loans outstanding of £204.8 million, compared with £182.1m at 31 March 2023. Short term investments and cash balances total £28.5m compared with £11.0m at 31 March 2023. Average net debt per unit was £30k at 31 March 2024 (£31k 2022/23) as 34 homes (net of disposals) were added in the year.

The Group was fully compliant with loan covenants during the year.

The Association's interest cover ratio for the year of 3.25 times and the gearing ratio as at 31 March 2024 of 32.0% comfortably meet the Association's primary lender requirements.

Responsibility for the management of interest rate risk and liquidity risk is with the Board. The Association finances its operations through a combination of borrowing and the reinvestment of reserves. The amount of borrowings and its terms are reviewed and determined by the Board. The Group engages specialist Treasury Management Advisors to assist in this process.

### Interest rate risk

Exposure to fluctuating interest rates is managed by the composition of a balanced portfolio between fixed rate and variable rate loans.

### Liquidity risk

The Group maintains a mixture of long-term and short-term loan finance that is designed to ensure there are sufficient funds to achieve business objectives and to facilitate planned growth.

As at 31 March 2024, the Group had agreed facilities unused across a number of Institutions of £50m, to assist in funding its growth strategy and meeting ongoing commitments.

### Currency risk

The Association and Group do not engage in foreign currency transactions and so are not exposed to exchange risk.

### Regulation

The Association's principal regulator is the Department for Communities (DfC). It is also regulated by the Charity Commission Northern Ireland (CCNI) and the Northern Ireland Housing Executive (NIHE) in its role as administrator of Supporting People funding and Manager of the Social Housing Development Programme.

## Report of the Board for the year ended 31 March 2024 (cont'd)

The Association complies with the DfC Regulatory Standards. Based on the last Regulatory Framework rating received in relation to 2021/22, DfC determined that Clanmil Housing Association Limited met the Regulatory Standards for Governance, Finance and Consumer with the highest Rating 1- meets the requirement.

### Quality Management

The quality of the Association's management systems is recognised through the Investors in People Silver re-accreditation in May 2022, and the standards of the Regulation and Quality Improvement Authority. The Association also received during the year a bronze accreditation from Diversity Mark charting our pathway on Equality, Diversity and Inclusion.

### Environmental matters

The Group recognises its corporate responsibility to carry out its operations and development programme whilst minimising environmental impacts and its intent is outlined in our new Environmental Strategy 2024 – 2029. The Board's continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

### Statement of the responsibilities of the members of the Board

The Co-operative and Community Benefit Societies Act and registered housing association legislation require the members of the Board to prepare financial statements for each financial year which give a true and fair view of the state of the Association and Group's affairs and of its surplus or deficit for that period. In preparing these statements the Board is required to:

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

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

### Statement of disclosure of information to auditors

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

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

### Internal Control

The Board has overall responsibility for the Association and Group's internal control systems and for reviewing the effectiveness of these. Such systems can only provide the Board with reasonable, and not absolute, assurance against material misstatement or loss as they are designed to manage the risk of failure to achieve business objectives rather than eliminate the risk completely.

**Report of the Board for the year ended 31 March 2024 (cont'd)****Audit**

The Board has established a Group Audit and Risk Committee with clearly defined terms of reference. The main functions of the Group Audit and Risk Committee are to control and review the external and internal audit functions, the internal control systems and monitor the performance of the Association against the key business indicators. The Association's internal auditors report directly to the Group Audit and Risk Committee on completion of each systems review and an annual summary report is produced by the internal auditors summarising the systems audit programme each year. The provision of the external auditor's report to those Charged with Governance also provides some assurance through the year-end audit and the provision of an internal control report.

**Board and Executive Officers**

The members of the Board and the Executive Officers of the Association are listed on page 2.

After a qualifying period each member of the Board becomes a shareholder and holds one fully paid share of £1 in the Association.

**Independent auditors**

The auditors, ASM (B) Ltd, 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



C McTaggart  
Company Secretary  
28th June 2024

**Independent auditors' report to the members of Clanmil Housing Association Limited****Report on the audit of the financial statements****Opinion**

We have audited the financial statements, included within the Annual Statement of Accounts ("the Annual Report"), which comprise: the consolidated and association statements of financial position as at 31 March 2024; the consolidated and association statements of comprehensive income, the consolidated and association statements of changes in reserves, and the consolidated cash flow statement for the year then ended, and the notes to the financial statements, which include a description of the significant accounting policies.

In our opinion, Clanmil Housing Association Limited's group financial statements and association financial statements ("the financial statements"):

- give a true and fair view of the state of the group's and of the association's affairs as at 31 March 2024 and of the group's and association'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);
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 and association 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**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate. or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the groups and association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the groups and association's ability to continue as a going concern.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

**Responsibilities for the financial statements and the audit****Responsibilities of the board for the financial statements**

As explained more fully in the Statement of the responsibilities of the members of the Board of Management set out on pages 12 and 13, the Board is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Independent auditors' report to the members of Clanmil Housing Association Limited  
(continued)**

In preparing the financial statements, the board is responsible for assessing the group and association's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group and association 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.

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:

- a. We considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income and posting of unusual journals. To address those risks we discussed the risks with client management and designed audit procedures to test the timing of revenue recognition and tested a sample of journals to confirm they were appropriate.

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

**Use of this report**

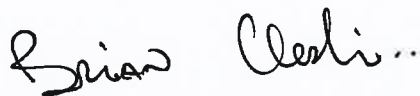
This report, including the opinions, has been prepared for and only for the members as a body in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and article 19 of The Housing (Northern Ireland) Order 1992 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**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 association; or
- the association financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



Brian Clerkin (Senior Statutory Auditor)  
for and on behalf of ASM (B) Ltd  
Statutory Auditor  
Glendinning House  
6 Murray Street  
Belfast  
BT1 6DN

28th June 2024

**Consolidated statement of comprehensive income for the year ended 31 March 2024**

	Note	2024 £	2023 £
<b>Turnover</b>	5	<b>52,542,249</b>	47,538,571
<b>Operating costs</b>	6	<b>(35,916,953)</b>	(34,432,582)
<b>Operating surplus</b>	7	<b>16,625,296</b>	13,105,989
Surplus arising from disposals of fixed assets		1,330,754	1,954,050
Transfer to disposal proceeds fund	10	(1,241,069)	(1,846,379)
Interest receivable and similar income	11	707,556	178,855
Interest payable and similar charges	12	(6,912,114)	(5,551,329)
Other finance (costs)/income	13	(54,000)	(26,000)
<b>Surplus on ordinary activities</b>		<b>10,456,423</b>	7,815,186
Revaluation of Investment Properties	17	(60,820)	237,483
Actuarial gain/(loss) in respect of Pension scheme	33	(589,000)	(650,000)
<b>Retained surplus for the financial year</b>		<b>9,806,603</b>	7,402,669
Retained surplus brought forward		77,206,367	69,803,698
<b>Retained surplus carried forward</b>		<b>87,012,970</b>	77,206,367

All amounts above relate to continuing operations of the Group.

**Consolidated statement of changes in reserves for the year ended 31 March 2024**

		2024 £	2023 £
Surplus on ordinary activities		10,456,423	7,815,186
Movement in share capital	26	(1)	1
Revaluation of Investment Properties	17	(60,820)	237,483
Actuarial gain / (loss) in respect of Pension scheme	33	(589,000)	(650,000)
<b>Net addition to capital and reserves</b>		<b>9,806,602</b>	7,402,670
<b>Opening total capital and reserves</b>		<b>77,206,378</b>	69,803,708
<b>Closing total capital and reserves</b>		<b>87,012,980</b>	77,206,378

The notes on pages 21 to 49 form part of these financial statements.

**Association statement of comprehensive income for the year ended 31 March 2024**

		2024 £	2023 £
<b>Turnover</b>		<b>52,665,668</b>	47,801,339
<b>Operating costs</b>	6	<b>(36,029,234)</b>	(34,755,444)
<b>Operating surplus</b>	7	<b>16,636,434</b>	13,045,895
Surplus arising from disposals of fixed Assets		1,330,754	1,954,050
Transfer to disposal proceeds fund	10	(1,241,069)	(1,846,379)
Interest receivable and similar income	11	707,556	178,855
Interest payable and similar charges	12	(6,912,114)	(5,551,329)
Other finance costs	13	(54,000)	(26,000)
<b>Surplus on ordinary activities</b>		<b>10,467,561</b>	7,755,092
Revaluation gain/ (loss) on Investment Properties	17	(60,820)	237,483
Actuarial gain/(loss) in respect of Pension scheme	33	(589,000)	(650,000)
<b>Retained surplus for the financial year</b>		<b>9,817,741</b>	7,342,575
Retained surplus brought forward		77,028,317	69,685,742
<b>Retained surplus carried forward</b>		<b>86,846,058</b>	77,028,317

All amounts above relate to continuing operations of the Association.

**Association statement of changes in reserves for the year ended 31 March 2024**

		2024 £	2023 £
Surplus on ordinary activities		10,467,561	7,755,092
Movement in share capital	26	(1)	1
Revaluation gain/ (loss) on Investment Properties	17	(60,820)	237,483
Actuarial gain/(loss) in respect of Pension scheme	33	(589,000)	(650,000)
Net addition to capital and reserves		9,817,740	7,342,576
Opening total capital and reserves		77,028,328	69,685,752
<b>Closing total capital and reserves</b>		<b>86,846,068</b>	77,028,328


The notes on pages 21 to 49 form part of these financial statements.

Consolidated statement of financial position as at 31 March 2024

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Housing properties - depreciated cost	14	580,964,119	557,513,756
Investment Properties	17	17,503,194	17,557,555
Other tangible fixed assets	16	2,039,991	2,103,918
Investments	18	20,085	20,085
		<b>600,527,389</b>	<b>577,195,314</b>
<b>Current assets</b>			
Assets held for resale			
Debtors	19	24,116,318	19,083,518
Investments	20	18,954,304	2,533,466
Cash at bank and in hand	21	9,578,621	8,438,217
		<b>52,649,243</b>	<b>30,055,201</b>
<b>Creditors: amounts falling due within one year</b>	22	<b>(39,659,860)</b>	<b>(37,130,750)</b>
<b>Net current assets</b>		<b>12,989,383</b>	<b>(7,075,549)</b>
<b>Total assets less current liabilities</b>		<b>613,516,772</b>	<b>570,119,764</b>
<b>Creditors: amounts falling due after more than one year</b>			
<b>Pension deficit</b>	33	<b>(1,479,000)</b>	<b>(1,407,000)</b>
<b>Net assets</b>		<b>87,012,980</b>	<b>77,206,377</b>
<b>Capital and reserves</b>			
Called up share capital	26	10	11
Revenue reserve		87,012,970	77,206,367
<b>Total funds</b>		<b>87,012,980</b>	<b>77,206,378</b>

The financial statements on pages 16 to 49 were approved by the Board of Management on 28<sup>th</sup> June 2024 and were signed on its behalf by:

  
M Monaghan  
Chair of the Board

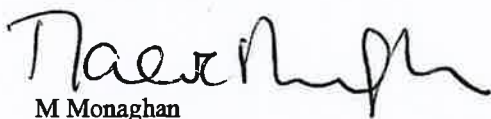
  
M McCann  
Vice-Chair of the Board


  
C McTaggart  
Secretary of the Board

**Association statement of financial position as at 31 March 2024**

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Housing properties - depreciated cost	14	580,964,119	557,513,756
Investment Properties	17	17,503,194	17,557,555
Other tangible fixed assets	16	2,039,991	2,090,479
Investments	18	25,087	25,087
		<b>600,532,391</b>	<b>577,186,877</b>
<b>Current assets</b>			
Assets held for resale		-	-
Debtors	19	22,243,310	16,865,840
Investments	20	18,954,304	2,533,466
Cash at bank and in hand	21	9,091,605	8,057,075
		<b>50,289,219</b>	<b>27,456,381</b>
<b>Creditors: amounts falling due within one year</b>	22	<b>(37,471,750)</b>	<b>(34,701,543)</b>
<b>Net current assets (liabilities)</b>		<b>12,817,469</b>	<b>(7,245,162)</b>
<b>Total assets less current liabilities</b>		<b>613,349,860</b>	<b>569,941,715</b>
<b>Creditors: amounts falling due after more than one year</b>	23	<b>(525,024,792)</b>	<b>(491,506,387)</b>
<b>Pension deficit</b>	33	<b>(1,479,000)</b>	<b>(1,407,000)</b>
<b>Net assets</b>		<b>86,846,068</b>	<b>77,028,328</b>
<b>Capital and reserves</b>			
Called up share capital	26	10	11
Revenue reserve		86,846,058	77,028,317
<b>Total funds</b>		<b>86,846,068</b>	<b>77,028,328</b>

The financial statements on pages 16 to 49 were approved by the Board of Management on 28<sup>th</sup> June 2024 and were signed on its behalf by:

  
M Monaghan  
Chair of the Board

  
M McCann  
Vice-Chair of the Board

  
C McTaggart  
Secretary of the Board

**Consolidated cash flow statement for the year ended 31 March 2024**

	Note	2024 £	2023 £
<b>Net cash inflow from operating activities</b>	27	<b>16,994,623</b>	<b>11,558,533</b>
<b>Cash flow from investing activities</b>			
Purchase and development of housing properties		(36,778,802)	(30,734,395)
Housing Association Grant and other grants		17,694,612	14,330,865
Voluntary Purchase Grant		435,216	533,391
Receipts from disposal of housing properties		2,354,653	5,457,511
Purchase of other tangible assets		(253,899)	(289,855)
Interest received		676,996	90,191
<b>Net cash used in investing activities</b>		<b>(15,871,224)</b>	<b>(10,612,292)</b>
<b>Cash flows from financing activities</b>			
New loans		35,000,000	40,000,000
Loan principal repayments		(12,335,964)	(32,543,473)
Allotment of shares			
Interest paid		(6,226,193)	(5,527,228)
<b>Net cash used in financing activities</b>		<b>16,437,843</b>	<b>1,929,299</b>
<b>Net Increase in cash and cash equivalents</b>		<b>17,561,242</b>	<b>2,875,540</b>
Cash and cash equivalents at the beginning of the year		10,971,683	8,096,143
<b>Cash and cash equivalents at the end of the year</b>	28/29	<b>28,532,925</b>	<b>10,971,683</b>

The notes on pages 21 to 49 form part of these financial statements.

**Notes to the financial statements for the year ended 31 March 2024****1 General information**

The group and association's principal activity during the financial year was providing high quality, affordable homes for rent throughout Northern Ireland and to help facilitate home ownership for people who cannot afford to purchase a home outright. The group is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and domiciled in the UK. The address of the registered office is Northern Whig House, 3 Waring Street, Belfast, BT1 2DX.

**2 Statement of compliance**

These financial statements of Clanmil Housing 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") under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom and Statement of Recommended Practice for Accounting by Registered Social Landlords. 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.

**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 company 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, except for the revaluation of investment properties. 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 association 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 group Statement of comprehensive income account and Statement of financial position include the financial statements of the group and its subsidiary undertakings made up to 31 March 2024. Intra group transactions, any unrealised profits/losses arising and intercompany balances are eliminated fully on consolidation.

**Foreign currencies**

Transactions and non-monetary assets, denominated in foreign currencies, are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date or the exchange rate of a related foreign exchange contract where relevant. The resulting exchange gains or losses are dealt with in the income and expenditure account.

**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 association and value added taxes. The group and association 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 association recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the group and association 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 association and (e) when the specific criteria

**Notes to the financial statements for the year ended 31 March 2024****3 Summary of significant accounting policies (continued)**

relating to each of the group and association's sales channels have been met, as described below and in note 5.

**i) Net rental income**

Income includes rent and service charge income arising from the provision of housing accommodation and the amortisation of Housing Association Grant. Income is recognised in the period to which it relates.

**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.

**iii) Other income**

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

**Employee benefits**

The group provides a range of benefits to employees, including paid holiday arrangements and defined contribution 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 benefit is received.

**ii) Defined contribution pension plans**

The group operates a defined contribution scheme for certain employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

**iii) Multi-employer pension plan**

The Group operates a defined benefit scheme through the Social Housing Pension Scheme (SHPS). From the year ended 31 March 2019, it was possible for the first time for the Group to account for the plan as a defined benefit plan. It previously accounted for the plan as a defined contribution scheme. Similar to the year end 31 March 2023, the assets and liabilities relating to the defined benefit plan have been recognised in the financial statements as at 31 March 2024 (note 33).

The assets of SHPS are held separately from those of the Group. The Group has adopted section 28 of FRS 102 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 increase in the present value of the liabilities of the Association's defined pension scheme arising from the employee service in the year is charged to operating surplus. The net interest on the deficit or surplus is included in other finance costs. Actuarial gains and losses are recognised in the statement of total recognised surpluses and deficits.

**Notes to the financial statements for the year ended 31 March 2024****Tangible fixed assets****Housing properties**

The group operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock.

**Other housing properties**

For housing acquired by the Association to provide a supply of affordable homes on an equity sharing basis, sales proceeds are accounted for in the Statement of comprehensive income account with proceeds recorded in turnover and costs in cost of sales in accordance with SORP. The Association's share of the costs of developing the property are disclosed in tangible fixed assets – housing properties (note 14).

**Investment Properties**

Commercial properties and residential properties for market rent are held at market valuation in the Statement of Financial Position (note 17). The aggregate surplus or deficit arising from any movement in year end valuation is accounted for in the Statement of Comprehensive Income.

**Other fixed assets**

Other fixed assets are stated at cost.

**Housing Association Grant and other grants**

In line with the requirements of the Housing SORP, Housing Association Grant and other grants received as a contribution towards the capital costs of housing properties of the Association are included as 'Creditors: amounts falling due after more than one year' and 'Creditors: amounts falling due within one year' rather than set against the capital cost and are amortised to the Statement of comprehensive income as per the turnover policy above. 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 net proceeds of the sale.

**Depreciation and Impairment****Housing properties**

Housing properties are split between land, structure and major components which require periodic replacement. Replacement or refurbishment of such major components is capitalised and depreciated over the estimated useful life which has been set taking into account professional guidance and the group's asset management strategy. In determining the remaining useful lives for the housing stock, the group has taken account of views provided by both internal and external professional sources.

Freehold land is not subject to depreciation. Depreciation is charged so as to write down the cost or valuation of the freehold housing properties and major components on a straight-line basis over their expected use economic lives.

**Notes to the financial statements for the year ended 31 March 2024**

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, over the following periods:

Main fabric	100 years
Roof structure and coverings	70 years
Windows and external doors	30 years
Heating system boilers	15 years
Kitchens	20 years
Bathrooms	30 years
Mechanical systems (heating, ventilation, plumbing)	30 years
Electrics	40 years
Lift	20 years

Housing assets are depreciated in the month of acquisition, or in the case of a larger project, from the month of completion. Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to operating surplus.

**Other tangible fixed assets**

Depreciation of other fixed assets is charged on a straight-line basis over the estimated useful economic lives of the assets at the following annual rates:

Freehold buildings	- 2% on cost
Office furniture and fittings	- 10% to 20% on cost
Fixed asset property	- 10% on cost
Motor vehicles	- 25% on cost

**Subsequent additions and major components**

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the group and the cost can be measured reliably. The carrying amount of any replaced component is derecognised.

Repairs, maintenance and minor inspection costs are expensed as incurred.

**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.

**Leased assets**

At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

**Operating leased assets**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of comprehensive income on a straight-line basis over the period of the lease.

**Cash and cash equivalents**

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

**Notes to the financial statements for the year ended 31 March 2024****Current asset investments**

Current asset investments are investments in short-term deposits with an original maturity between one and twelve months.

**Investment in subsidiary company**

Investment in a subsidiary company is held at cost less accumulated impairment losses.

**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 (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

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

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of comprehensive 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 comprehensive income and retained earnings.

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

**i) Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligations can be estimated reliably. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

**ii) Contingencies**

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

**Notes to the financial statements for the year ended 31 March 2024****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, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in Statement of comprehensive 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 comprehensive 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. Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of comprehensive income and retained earnings, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**ii) Financial liabilities**

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

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

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

**Disposal proceeds fund**

The net surpluses, after loan repayments, that arise from the sale of property to tenants under the voluntary purchase grant arrangements instituted by the Department for Communities can be utilised by the Association (note 10).

If the surpluses are not used within two years of receipt, they may be payable in part or in full to the Department for Communities.

**Notes to the financial statements for the year ended 31 March 2024**

**Restricted fund**

Under the terms of the Supporting People Funding Agreement (Schedule 8, paragraph 4) Supporting People funding must be identified as a Restricted Fund. Income and expenditure relating to Supporting People has been denoted as restricted (note 36). Supporting People reserves, if applicable, are held separately and denoted as Restricted Funds. Any deficit is offset against a general reserve.

**4 Critical accounting judgements and estimation uncertainty**

Estimates and judgements made in the process of preparing the Group and Association 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.

**(a) Critical judgement in applying the entity’s accounting policies**

There are no critical judgements in applying the entity’s accounting policies.

**(b) Critical accounting estimates and assumptions**

The Board of Management makes estimates and assumptions concerning the future in the process of preparing the Group and Association financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

*(i) Useful economic lives of housing properties*

The annual depreciation on housing properties is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of housing properties and note 3 for the useful economic lives for each component of housing property.

There are no other critical accounting estimates and assumptions.

**5 Analysis of turnover**

Turnover and results relate to the group’s main activities which are carried out in the United Kingdom. Turnover represents rental and service charge income and residential charges for housing with care, net of voids. It also includes first tranche equity share sales, amortisation of grants, income arising on the lease of a property to a related company, services provided to other Housing Associations and special needs management allowance (interim protection) received for the provision of housing with care.

**6 Operating costs**

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Direct costs	29,153,303	28,283,211	29,528,767	28,951,710
Administrative expenses	6,763,650	6,149,371	6,500,467	5,803,734
	<b>35,916,953</b>	<b>34,432,582</b>	<b>36,029,234</b>	<b>34,755,444</b>

Notes to the financial statements for the year ended 31 March 2024

7 Operating surplus

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
<b>This is stated after charging/(crediting):</b>				
Staff costs (note 8)	10,213,558	9,165,848	10,213,558	9,165,848
Depreciation	10,270,090	10,465,755	10,258,951	10,450,903
Amortisation of grant	(8,691,425)	(7,709,196)	(8,691,425)	(7,709,196)
Release of capital grant	(2,361,807)	(3,859,922)	(2,361,807)	(3,859,922)
Auditors' remuneration				
– audit services	36,720	32,500	27,120	23,600

8 Employee information

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
<b>Staff costs</b>				
Wages and salaries	7,977,775	7,445,815	7,977,775	7,445,815
Social security costs	699,835	670,959	699,835	670,959
Other pension costs	1,535,948	1,049,074	1,535,948	1,049,074
	10,213,558	9,165,848	10,213,558	9,165,848
	2024	2023	2024	2023
<b>Average monthly number of persons employed during the financial year by activity:</b>				
Administration	165	162	165	162
Scheme co-ordinators and ancillary staff	104	102	104	102
Supported housing	61	59	61	59
	330	323	330	323

9 Executive team's emoluments

The remuneration of the Management Team of the Association during the year was:

	Group		Association	
	2024	2023	2024	2023
	£	(Restated) £	£	(Restated) £
Aggregate emoluments	645,980	558,016	645,980	558,016
Pension contributions	167,797	160,033	167,797	160,033
	813,777	718,049	813,777	718,049

**Notes to the financial statements for the year ended 31 March 2024**

Prior year comparatives have been restated to reflect executive team emoluments instead of extended management team emoluments. This only reflects executive directors' remuneration.

**9 Executive team's emoluments (continued)**

The emoluments to the highest paid executive team member (currently included within the above table) are as follows:

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Aggregate emoluments	147,255	129,532	147,255	129,532

The number of management team members to whom emoluments were paid during the year falls within each of the following bands:

Salary Band:	Group		Association	
	2024	2023	2024	2023
	No	No	No	No
£145,000 - £150,000	1	0	1	0
£140,000 - £145,000	0	0	0	0
£135,000 - £140,000	0	0	0	0
£130,000 - £135,000	0	0	0	0
£125,000 - £130,000	0	1	0	1
£120,000 - £125,000	0	0	0	0
£115,000 - £120,000	0	0	0	0
£110,000 - £115,000	0	0	0	0
£105,000 - £110,000	1	0	1	0
£100,000 - £105,000	0	0	0	0
£95,000 - £100,000	4	1	4	1
£90,000 - £95,000	0	4	0	4
£85,000 - £90,000	0	0	0	0
Total	6	6	6	6

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

The Board and Committee members were reimbursed for expenses totalling £2,714 during the year (2023: £5,266).

Notes to the financial statements for the year ended 31 March 2024

10 Transfer to disposal proceeds fund

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Proceeds of disposal	2,155,000	3,175,000	2,155,000	3,175,000
Depreciation on properties disposed	(913,931)	(1,328,621)	(913,931)	(1,328,621)
	1,241,069	1,846,379	1,241,069	1,846,379
Utilisation of disposal proceeds fund	(623,275)	(1,154,669)	(623,275)	(1,154,669)
	617,794	691,710	617,794	691,710

Balance of disposals proceeds fund is included in creditors see notes 22 and 23

11 Interest receivable and similar income

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Interest receivable	707,556	178,855	707,556	178,855

12 Interest payable and similar charges

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Housing property loans	6,909,607	5,547,763	6,909,607	5,547,763
Bank interest and charges	2,507	3,566	2,507	3,566
	6,912,114	5,551,329	6,912,114	5,551,329

13 Other finance costs

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Other finance costs arising on pension scheme	54,000	26,000	54,000	26,000

Notes to the financial statements for the year ended 31 March 2024

14 Fixed Assets

Group and Association	Social Housing Properties Held for 2024 £	Social Housing Properties under construction 2024 £	Equity Share Properties Held for Letting 2024 £	Equity Share Properties under Construction 2024 £	Total 2024 £
<b>Cost</b>					
At 1 April 2023	629,862,396	13,152,460	1,745,441	1,094,003	645,854,300
Additions - Schemes Completed	8,385,447	(8,385,447)	1,094,003	(1,094,003)	-
Additions - Capitalised Planned Maintenance	4,225,300	-	-	-	4,225,300
Additions - Work in Progress	-	32,510,617	221,719	-	32,732,336
Disposals	(4,256,276)	-	(473,502)	-	(4,729,778)
<b>At 31 March 2024</b>	<b>638,216,867</b>	<b>37,277,630</b>	<b>2,587,661</b>	<b>-</b>	<b>678,082,158</b>
<b>Depreciation</b>					
At 1 April 2023	(88,224,915)	-	(115,628)	-	(88,340,543)
Charge for the year	(9,913,242)	-	(41,322)	-	(9,954,564)
Disposals	1,156,792	-	20,276	-	1,177,068
<b>At 31 March 2024</b>	<b>(96,981,365)</b>	<b>-</b>	<b>(136,674)</b>	<b>-</b>	<b>(97,118,039)</b>
<b>Net book value</b>					
<b>At 31 March 2024</b>	<b>541,235,502</b>	<b>37,277,630</b>	<b>2,450,987</b>	<b>-</b>	<b>580,964,119</b>
<b>At 31 March 2023</b>	<b>541,637,481</b>	<b>13,152,460</b>	<b>1,629,812</b>	<b>1,094,003</b>	<b>557,513,756</b>
<b>Net book amount comprises:</b>					
<b>Freehold property</b>	<b>389,749,958</b>	<b>37,277,630</b>	<b>1,059,930</b>	<b>-</b>	<b>428,087,518</b>
<b>Long leasehold property</b>	<b>151,485,544</b>	<b>-</b>	<b>1,391,058</b>	<b>-</b>	<b>152,876,602</b>
	<b>541,235,502</b>	<b>37,277,630</b>	<b>2,450,988</b>	<b>-</b>	<b>580,964,120</b>
<b>Net book amount comprises:</b>					
Completed schemes	541,235,502	-	2,450,988	-	543,686,490
Properties under construction	-	37,277,630	-	-	37,277,630
	<b>541,235,502</b>	<b>37,277,630</b>	<b>2,450,988</b>	<b>-</b>	<b>580,964,120</b>

**Notes to the financial statements for the year ended 31 March 2024**

**15 Tangible fixed assets – Housing Association and other grants**

<b>Group and Association</b>	<b>Social Housing Properties Held for Lettings 2024 £</b>	<b>Social Housing Properties under construction 2024 £</b>	<b>Total 2024 £</b>
<b>Housing Association and other grants</b>			
At 1 April 2023	(378,636,282)	(8,163,598)	(386,799,880)
			0
Additions - Schemes Completed	(9,882,090)	9,882,090	0
Additions - Capitalised Planned Maintenance	(332,045)	-	(332,045)
Additions Work in Progress		(18,922,757)	(18,922,757)
Disposals	2,361,807	-	2,361,807
<b>At 31 March 2024</b>	<b>(386,488,610)</b>	<b>(17,204,265)</b>	<b>(403,692,875)</b>
<b>Amortisation</b>			
At 1 April 2023	68,349,322	-	68,349,322
Charge for the year	7,721,169	-	7,721,169
Disposals	(875,773)	-	(875,773)
<b>At 31 March 2024</b>	<b>75,194,718</b>	<b>-</b>	<b>75,194,718</b>
<b>Net book value</b>			
<b>At 31 March 2024 (notes 23/24)</b>	<b>(311,293,892)</b>	<b>(17,204,265)</b>	<b>(328,498,157)</b>
<b>At 31 March 2023 (notes 22/23)</b>	<b>(310,286,960)</b>	<b>(8,163,598)</b>	<b>(318,450,558)</b>

Notes to the financial statements for the year ended 31 March 2024

16 Other tangible fixed assets

Association	Freehold buildings £	Office furniture and equipment £	Motor vehicles £	Total £
At 1 April 2023	2,243,397	3,070,101	-	5,313,498
Additions	3,783	250,116	-	253,899
Disposals	-	-	-	-
<b>At 31 March 2024</b>	<b>2,247,180</b>	<b>3,320,217</b>	<b>-</b>	<b>5,567,397</b>
<b>Depreciation</b>				
At 1 April 2023	1,209,169	2,013,850	-	3,223,019
Charge for year	54,202	250,185	-	304,387
Disposals	-	-	-	-
<b>At 31 March 2024</b>	<b>1,263,371</b>	<b>2,264,035</b>	<b>-</b>	<b>3,527,406</b>
<b>Net book amount</b>				
<b>At 31 March 2024</b>	<b>983,809</b>	<b>1,056,182</b>	<b>-</b>	<b>2,039,991</b>
At 1 April 2023	1,034,228	1,056,251	-	2,090,479

Group-other tangible fixed assets include leaseholder improvements of £nil (2023 £13,439).

Notes to the financial statements for the year ended 31 March 2024

17 Investment Property

Association	Commercial/ Private Properties Held for Letting 2024 £	Commercial/ Private Properties under Construction 2024 £	Total 2024 £
<b>Cost or valuation</b>			
At 1 April 2023	17,193,000	364,555	17,557,555
Additions - Work in progress	364,555	(364,555)	-
Revaluation gain at 31st March 2024	(60,820)	-	(60,820)
Planned Mtce additions	6,459		6,459
<b>At 31 March 2024</b>	<b>17,503,194</b>	<b>-</b>	<b>17,503,194</b>

The valuation of investment properties held for letting was carried out at 31 March 2024 and is based on their market value as at that date. The valuations across the Group were carried out by CBRE Limited, a firm of RICS registered valuers in accordance with Royal Institute of Chartered Surveyors (“RICS”) Valuation – Global Standards and the UK national supplement using qualified chartered surveyors who had sufficient current local and national knowledge of the particular market, and skills and understanding to undertake the valuation competently. Investment properties under construction are valued at cost. The companies have adopted the provisions under section 16.1 and 16.2 of FRS 102 in relation to the revaluation of their investment properties (fair value movements being taken to the Statement of Comprehensive Income). On consolidation of the Group’s housing property values, any unrealised surpluses deriving from inter-group property sales are removed.

18 Investments

Group	2024 £
<b>Cost</b>	
At 1 April 2023	20,085
<b>At 31 March 2024</b>	<b>20,085</b>

The group owns an investment in share capital in MORHOMES PLC, a company registered in England and Wales. The company’s registered address is the 8<sup>th</sup> Floor, 71 Queen Victoria Street, London, Greater London, EC4V 4AY. The company’s principal activity is financial intermediation.

Association	2024 £
<b>Cost</b>	
At 1 April 2023	25,087
<b>At 31 March 2024</b>	<b>25,087</b>

**Notes to the financial statements for the year ended 31 March 2024**

As well as the Group investments listed above the investment represents the Association's holding in wholly owned subsidiary companies, (i) Clanmil Properties Limited, (ii) Milbreen Limited and (iii) Clanmil Developments Limited. The registered addresses of these companies are Northern Whig House, 3 Waring Street, Belfast, BT1 2DX. The principal activities of these companies are (i) the management of commercial property rentals and the provision of services to housing associations and property management companies (ii) dormant company and (iii) the provision of property development services. In addition, we hold 85 shares in management companies in which the association has beneficial interests in properties.

**19 Debtors**

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Rental Debtors Gross – Technical	2,049,448	1,704,939	2,049,448	1,704,939
Rental Debtors Gross – Non-technical	1,274,553	914,179	1,274,553	914,179
Provision for bad debts	(1,783,226)	(1,476,627)	(1,783,226)	(1,476,627)
Net rental (including rates, service charges) debtors	1,540,775	1,142,491	1,540,775	1,142,491
Other Debtors	5,808,247	4,865,668	5,569,763	4,411,013
Prepayments and accrued income	2,832,940	2,798,070	840,650	736,564
Housing Association Grant receivable	13,934,356	10,277,289	13,934,356	10,277,289
Amounts owed by subsidiary undertakings (Note 37)	-	-	357,766	298,483
	<b>24,116,318</b>	<b>19,083,518</b>	<b>22,243,310</b>	<b>16,865,840</b>

Amounts owed by subsidiary undertakings and related undertakings are unsecured, interest free and repayable on demand. Included in other debtors is £1,461,250 relating to the services equalisation account – this has increased from a debtor of £796,955 in 2023.

**20 Current asset - Investments**

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Short term deposits - Other	18,954,304	2,533,466	18,954,304	2,533,466
Total Short term deposits	18,954,304	2,533,466	18,954,304	2,533,466

This represents cash held on deposit with an original maturity between 1 and 12 months. At the balance sheet date the average maturity of the deposits was 3 months. The average interest rate was 4% (2023: 1.95%).

The funds received from DfC are being temporarily held pending utilisation in accordance with the terms of the Financial Assistance Agreements.

**21 Cash at bank and in hand**

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Other cash balances held short term	9,578,621	8,438,217	9,091,605	8,057,075
	<b>9,578,621</b>	<b>8,438,217</b>	<b>9,091,605</b>	<b>8,057,075</b>

Notes to the financial statements for the year ended 31 March 2024

22 Creditors: amounts falling due within one year

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Bank loans (Note 24)	1,670,519	2,227,359	1,670,519	2,227,359
DfC loans (Note 24)	131,176	151,153	131,176	151,153
Other taxes and social security	193,902	202,659	193,902	202,659
Rent, rates and service charges received in advance	573,345	844,808	573,345	844,808
Housing Association Grant in advance	14,209,705	12,196,050	14,209,705	12,196,050
Deferred historic building grant	22,668	22,668	22,668	22,668
Other creditors	7,866,355	7,523,215	7,353,751	6,920,484
Amounts owed to subsidiary undertakings	-	-	100,467	78,524
Services equalisation account - general	110,368	199,884	110,368	199,884
Accruals and deferred income	5,314,740	4,583,712	3,538,767	2,678,712
Disposal proceeds fund	1,847,678	623,275	1,847,678	623,275
Housing Association Grant (Note 15)	7,719,404	8,555,967	7,719,404	8,555,967
	<b>39,659,860</b>	<b>37,130,750</b>	<b>37,471,750</b>	<b>34,701,543</b>

Amounts owed to subsidiary undertakings are unsecured, interest free and repayable on demand.

23 Creditors: amounts falling due after more than one year

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Bank loans (Note 24)	194,704,930	171,432,903	194,704,930	171,432,903
DfC loans (Note 24)	8,300,000	8,331,175	8,300,000	8,331,175
Disposal proceeds fund	1,241,109	1,847,718	1,241,109	1,847,718
Housing Association grants and other grants (Note 15)	320,778,753	309,894,591	320,778,753	309,894,591
	<b>525,024,792</b>	<b>491,506,387</b>	<b>525,024,792</b>	<b>491,506,387</b>

The surplus on the disposal proceeds fund should be used within two years of the sale of the property.

## Notes to the financial statements for the year ended 31 March 2024

## 24 Loans

	Group 2024	2023	Association 2024	2023
	£	£	£	£
<b>Bank loans - Housing property and other loans</b>				
Less than one year, or on demand (Note 22)	1,670,519	2,227,359	1,670,519	2,227,359
Between one and two years	1,670,519	2,227,359	1,670,519	2,227,359
Between two and five years	6,682,075	16,682,075	6,682,075	16,682,075
After more than five years	186,352,336	152,523,469	186,352,336	152,523,469
	<b>196,375,449</b>	<b>173,660,262</b>	<b>196,375,449</b>	<b>173,660,262</b>

## Security

The Danske Bank holds a mortgage over related housing properties as security.

First Trust and Ulster Bank loans are secured by way of mortgages upon the deeds of the related housing properties.

The Housing Finance Corporation loans are secured by way of mortgages upon the deeds of the related housing properties.

Senior notes are secured by way of mortgages upon the deeds of the related housing properties.

	Group 2024	2023	Association 2024	2023
	£	£	£	£
<b>Department for Communities - Housing Property</b>				
<b>Loans</b>				
Less than one year (Note 22)	131,176	151,153	131,176	151,153
Between one and two years	100,000	131,175	100,000	131,175
Between two and five years	300,000	300,000	300,000	300,000
After more than five years	7,900,000	7,900,000	7,900,000	7,900,000
	<b>8,431,176</b>	<b>8,482,328</b>	<b>8,431,176</b>	<b>8,482,328</b>

Notes to the financial statements for the year ended 31 March 2024

25 Financial instruments

The group has the following financial instruments:

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
<b>Financial assets that are cash instruments measured at amortised cost</b>				
Rental debtor (note 19)	1,540,775	1,142,491	1,540,775	1,142,491
Other debtors (note 19)	5,808,246	4,865,668	5,569,762	4,411,013
Housing association grants - receivable (note 19)	13,934,356	10,277,289	13,934,356	10,277,289
Amounts owed by subsidiary undertakings (note 19)	-	-	0	298,484
Accrued income (note 19)	100,467	78,523	-	-
Investments (note 20)	18,954,304	2,533,466	18,954,304	2,533,466
Cash at bank and in hand (note 21)	9,578,621	8,438,217	9,091,605	8,057,075
	<b>49,916,769</b>	<b>27,335,654</b>	<b>49,090,802</b>	<b>26,719,818</b>
<b>Financial liabilities measured at amortised cost</b>				
DfC loans (note 22/23)	8,431,176	8,482,328	8,431,176	8,482,328
Bank loans (note 24)	196,375,449	173,660,262	196,375,449	173,660,262
Amounts owed to subsidiary undertakings (note 22)	-	-	100,467	78,524
Other creditors (note 22)	7,866,355	7,682,540	7,353,751	7,079,809
Accruals (note 22)	5,314,740	4,518,523	3,538,767	2,613,523
	<b>217,987,720</b>	<b>194,343,653</b>	<b>215,799,610</b>	<b>191,914,446</b>

26 Called up share capital

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
<b>Ordinary shares of £1 each, fully paid</b>				
At 1 April 2023	11	10	11	10
Transfer	0	0	0	0
Allotted during the year	1	4	1	4
Transfer to reserves	(2)	(3)	(2)	(3)
<b>At 31 March 2024</b>	<b>10</b>	<b>11</b>	<b>10</b>	<b>11</b>

**Notes to the financial statements for the year ended 31 March 2024**

**27 - Net cash inflow from operating activities - Group**

	2024	2023
	£	£
<b>Surplus on ordinary activities</b>	<b>10,456,423</b>	<b>7,815,186</b>
Surplus arising from disposals of housing property	(1,330,754)	(1,954,050)
Transfer to disposal proceeds fund	1,241,069	1,846,379
Interest receivable and similar income	(707,556)	(178,855)
Interest payable and similar charges	6,912,114	5,551,329
Other finance costs	54,000	26,000
<b>Operating surplus</b>	<b>16,625,296</b>	<b>13,105,989</b>
Movement in service charges equalisation account	665,739	519,661
Depreciation charge	10,270,090	10,465,755
Amortisation charge	(8,691,425)	(7,709,196)
Release of capital grant	(2,361,807)	(3,859,922)
Movement in debtors	(1,038,035)	(1,506,308)
Movement in creditors	1,522,464	542,554
Movement in WIP	2,301	-
<b>Net cash inflow from operating activities</b>	<b>16,994,623</b>	<b>11,558,533</b>

**28 Analysis of net debt**

	At 1 April 2023	Cash flow	At 31 March 2024
	£	£	£
Cash at bank and in hand	8,438,217	1,140,404	9,578,621
Short term investments	2,533,466	16,420,838	18,954,304
Cash and cash equivalents	10,971,683	17,561,242	28,532,925
Debt due after one year	(179,764,078)	(23,240,852)	(203,004,930)
Debt due within one year	(2,378,512)	576,817	(1,801,695)
	(171,170,907)	(5,102,793)	(176,273,700)

Notes to the financial statements for the year ended 31 March 2024

29 Reconciliation of net cash flow to movement in net debt

	2024 £	2023 £
(Decrease) / increase in cash and cash equivalents and in financial year	17,561,242	2,875,540
Repayment of loans	12,335,965	32,543,473
New loans	(35,000,000)	(40,000,000)
Movement in net debt in the financial year	(5,102,793)	(4,580,987)
Net debt at 1 April	(171,170,907)	(166,589,920)
<b>Net debt at 31 March</b>	<b>(176,273,700)</b>	<b>(171,170,907)</b>

30 Turnover, operating costs and operating surplus - Association

	Operating Turnover £	Operating Costs £	2024 Operating Surplus £	2023 Operating Surplus £
Social Housing Activities	50,457,148	35,156,735	15,300,413	11,671,327
Non-Social Housing Activities	2,208,520	872,499	1,336,021	1,374,568
<b>Total</b>	<b>52,665,668</b>	<b>36,029,234</b>	<b>16,636,434</b>	<b>13,045,895</b>

31 Housing Stock – Association

	2024	2023
<b>Number of units owned on 31 March</b>		
<b>Self-contained</b>		
General needs housing	3,760	3,767
Supported Housing (including housing with care)	122	122
Sheltered Housing	1,672	1,624
Shared Ownership/Affordable Housing	198	203
	<b>5,752</b>	<b>5,716</b>
<b>Non Self-contained</b>		
Supported	136	135
<b>Total Units Owned</b>	<b>5,888</b>	<b>5,851</b>
<b>Number of units managed (but not owned) on 31 March</b>		
<b>Self-contained</b>		
General needs	0	0
<b>Total Units Owned and Managed</b>	<b>5,888</b>	<b>5,851</b>

Notes to the financial statements for the year ended 31 March 2024

32 Turnover, operating costs and operating surplus or deficit from social and non-social housing activities – Association

	2024				2023			
	General Needs Housing	Independent Living and Elderly Care Homes	Residential Care Homes	Supported Housing	Total Social Housing	Other Income	Total	Total
	£	£	£	£	£	£	£	£
<b>Turnover, operating costs and operating surplus or deficit from social housing activities</b>								
<i>Income from Social Housing Lettings</i>								
Rent Receivable net of service charges	26,603,470	7,433,345	1,590,293	668,092	36,295,200	1,211,364	37,506,564	33,282,135
Service charges receivable	1,550,062	3,347,483	-	474,084	5,371,629	-	5,371,629	4,779,701
Supporting People Hardship Funding	-	22,271	-	-	22,271	-	22,271	(683)
First tranche equity share / outright sales	-	-	-	-	-	565,000	565,000	2,697,502
Other	397,090	11,702	23,709	348	432,849	460,888	893,737	566,104
Income from SHC/HAG	6,149,271	1,372,805	6,518	192,575	7,721,169	-	7,721,169	7,286,808
Income from other Grants (SNMA)	-	-	494,170	-	494,170	-	494,170	99,328
Income from other grants (TBUC)	874,408	95,848	-	-	970,256	-	970,256	101,035
Less voids	(263,298)	(161,234)	(10,623)	(415,241)	(850,396)	(28,732)	(879,128)	(1,010,591)
<b>Net Income from rents and service charges</b>	<b>35,311,003</b>	<b>12,122,220</b>	<b>2,104,067</b>	<b>919,858</b>	<b>50,457,148</b>	<b>2,208,520</b>	<b>52,665,668</b>	<b>47,801,339</b>
<b>Operating Costs</b>								
Services	1,983,476	2,464,424	591,692	312,628	5,352,220	-	5,352,220	4,678,275
Supporting People Costs	-	931,696	-	29,241	960,937	-	960,937	716,784
Care Costs	-	-	811,769	-	811,769	-	811,769	767,793
Management Costs	3,847,730	1,405,408	294,201	165,923	5,713,262	532,294	6,245,576	4,968,072
Maintenance Administration Costs	1,437,594	639,633	-	82,203	2,159,450	42,492	2,201,942	2,121,358
Planned and cyclical maintenance	1,225,951	714,454	203,281	287,639	2,431,325	33,864	2,465,189	2,423,996
Reactive maintenance	2,970,726	936,960	-	134,310	4,041,996	156,851	4,198,847	3,654,068
Major repairs	95	-	-	-	95	-	95	-
Depreciation of housing properties	8,068,751	1,603,720	10,729	222,724	9,905,924	48,640	9,954,564	9,191,051
Bad Debts (rent and service charges)	329,620	87,197	(30,360)	11,421	397,878	10,188	408,066	297,183
Rates Payable	2,845,634	729,612	-	11,702	3,586,948	126,799	3,713,747	3,362,458
Other Costs	(28,406)	78,762	806	(256,251)	(205,089)	(78,629)	(283,718)	2,574,406
<b>Total Operating Costs</b>	<b>22,681,191</b>	<b>9,591,866</b>	<b>1,882,118</b>	<b>1,001,540</b>	<b>35,156,735</b>	<b>877,499</b>	<b>36,029,234</b>	<b>34,755,444</b>
<b>Operating Surplus / (Deficit)</b>	<b>12,629,812</b>	<b>2,530,354</b>	<b>221,949</b>	<b>(81,682)</b>	<b>15,300,413</b>	<b>1,336,021</b>	<b>16,636,434</b>	<b>13,045,895</b>

**Notes to the financial statements for the year ended 31 March 2024**

**32 Turnover, operating costs and operating surplus or deficit from social and non-social housing activities – Association (continued)**

	Association	
	2024	2023
DSD Allowances		
<b>Management Allowances</b>	2,592,432	2,511,936
Management Costs	(5,713,282)	(4,813,084)
<b>Surplus/Deficit</b>	<u>(3,120,850)</u>	<u>(2,301,148)</u>
<b>Maintenance Allowances</b>	2,103,290	1,939,320
Planned and cyclical maintenance	(1,225,951)	(1,114,027)
Reactive maintenance	(2,970,726)	(2,403,967)
<b>Surplus/Deficit</b>	<u>(2,093,387)</u>	<u>(1,578,674)</u>
<b>Gross Income from Rents and service charges</b>		
Technical	31,034,880	26,966,630
Non Technical	10,631,948	10,041,599
<b>Total</b>	<u>41,666,828</u>	<u>37,008,229</u>

Note that the Association operates a rent pooling policy. This can impact on the assessment of surplus or deficit arising from a particular type of housing activity.

**Notes to the financial statements for the year ended 31 March 2024**

**33 Pension commitments**

The Association participates in the defined benefit section of the Social Housing Pension Scheme (SHPS). The Association offers a hybrid arrangement where employees can join the Career Average Revalued Earnings (CARE) structure with a 1/120th accrual rate, as well as receiving contributions from the Association to the defined contribution section of SHPS.

SHPS is a UK registered trust-based pension scheme. SHPS is a multi-employer scheme with around 400 non-associated employers. SHPS is classified as a ‘last-man standing arrangement’. Therefore, the Association is potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from SHPS.

Verity Trustees are responsible for running SHPS in accordance with the Trust Deed and Rules, which sets out their powers. The Trustee of the SHPS is required to act in the best interests of the beneficiaries.

The Trustee is required to carry out an actuarial valuation every 3 years. The last triennial actuarial valuation of SHPS for funding purposes was carried out as at 30 September 2020. This valuation revealed a total scheme deficit of £1,560m. A recovery plan has been put in place with each employer paying contributions with the aim of removing this deficit by 31 March 2028. The Association expects to pay £331k towards the funding deficit in SHPS during the accounting year beginning 1 April 2024. The Association’s share of expenses in relation to running SHPS are paid in addition. The next actuarial valuation as at 30 September 2024, is due in September 2025.

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme’s benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2024 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. The Association’s potential share is estimated at £265k. We note that this estimate has been calculated as at 30 September 2022 on the Scheme’s Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

Pension costs for accounting purposes have been calculated using assumptions consistent and appropriate with FRS 102.

**Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)**

	<b>31 March 2024 (£000s)</b>	<b>31 March 2023 (£000s)</b>
Fair value of plan assets	6,317	6,114
Present value of defined benefit obligation	7,796	7,521
Surplus (deficit) in plan	(1,479)	(1,407)

**Notes to the financial statements for the year ended 31 March 2024**

**33 Pension commitments (continued)**

**Reconciliation of opening and closing balances of the defined benefit obligation**

	<b>Period from 31 March 2023 to 31 March 2024 (£000s)</b>
Defined benefit obligation at start of period	7,521
Current service cost	272
Expenses	12
Interest expense	366
Member contributions	14
Actuarial losses (gains) due to scheme experience	118
Actuarial losses (gains) due to changes in demographic assumptions	(55)
Actuarial losses (gains) due to changes in financial assumptions	(352)
Benefits paid and expenses	(100)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	7,796

**Reconciliation of opening and closing balances of the fair value of plan assets**

	<b>Period from 31 March 2023 to 31 March 2024 (£000s)</b>
Fair value of plan assets at start of period	6,114
Interest income	312
Experience on plan assets (excluding amounts included in interest)	(878)
Employer contributions	855
Member contributions	14
Benefits paid and expenses	(100)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	6,317

The actual return on plan assets (including any changes in share of assets) over the period ended 31 March 2024 was (£566,000).

**Notes to the financial statements for the year ended 31 March 2024**

**33 Pension commitments (continued)**

**Defined benefit costs recognised in statement of comprehensive income (SOCl)**

	<b>Period from 31 March 2023 to 31 March 2024 (£000s)</b>
Current service cost	272
Expenses	12
Net interest expense	54
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
<b>Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)</b>	<b>338</b>

**Defined benefit costs recognised in other comprehensive income**

	<b>Period from 31 March 2023 to 31 March 2024 (£000s)</b>
Experience on plan assets (excluding amounts included in net interest	(878)
Experience gains and losses arising on the plan liabilities - gain (loss)	(118)
Effects of changes in the demographic assumptions underlying the	55
Effects of changes in the financial assumptions underlying the present	352
<b>Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)</b>	<b>(589)</b>

**Notes to the financial statements for the year ended 31 March 2024**

**33 Pension commitments (continued)**

	<b>31 March 2024 (£000s)</b>	<b>31 March 2023 (£000s)</b>
Global Equity	629	114
Absolute Return	247	66
Distressed Opportunities	223	185
Credit Relative Value	207	231
Alternative Risk Premia	200	11
Emerging Markets Debt	82	33
Risk Sharing	370	450
Insurance-Linked Securities	33	154
Property	254	263
Infrastructure	638	698
Private Equity	5	-
Private Debt	248	272
Opportunistic Illiquid Credit	247	262
High Yield	1	21
Opportunistic Credit	-	-
Cash	125	44
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	41	185
Secured Income	189	281
Liability Driven Investment	2,570	2,816
Currency Hedging	(3)	12
Net Current Assets	11	16
<b>Total assets</b>	<b>6,317</b>	<b>6,114</b>

**KEY ASSUMPTIONS**

	31 March 2024	31 March 2023
	% per annum	% per annum
Discount Rate	5.00%	4.80%
Inflation (RPI)	3.10%	3.10%
Inflation (CPI)	2.80%	2.90%
Salary Growth	3.80%	3.90%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2024	20.3
Female retiring in 2024	22.8
Male retiring in 2044	21.6
Female retiring in 2044	24.2

**Notes to the financial statements for the year ended 31 March 2024**

**34 Contingent liabilities**

The Association released Housing Association Grant (net of amortisation) of £691,354 during the year in relation to building components replaced arising from planned maintenance works. The accumulated position of total Housing Association Grant released at 31 March 2024 is £7,193,472. The accumulated amount of Housing Association Grant amortised and recognised as income as at 31 March 2024 is £75,194,718. The possibility of any reimbursement to the Department for Communities is considered to be unlikely as the housing properties are expected to continue to be made available for social housing for the foreseeable future.

**35 Capital commitments - Housing Properties – Association**

	2024 £	2023 £
<b>Capital expenditure</b>		
Contracted for but not provided in the financial statements	63,511,436	45,443,087

The Association anticipates that this expenditure will be funded by Housing Association Grant from the Department for Communities and by private finance, both external and internal.

**36 Restricted fund – Supporting People**

	Total £
Income relating to Supporting People Funding	523,111
Additional Supporting People Hardship Funding	22,271
Expenditure relating to Supporting People Funding	(739,193)
<b>At 31 March 2024</b>	<b>(193,811)</b>

**Notes to the financial statements for the year ended 31 March 2024**

**37 Related party disclosures**

Details of the subsidiaries are disclosed in Note 18. The balances with the subsidiaries at the year-end were as follows:

	2024	2023
	£	£
<b>Amounts owed by subsidiary undertakings (note 19)</b>		
Clanmil Properties Limited	183,003	252,141
Clanmil Developments Limited	174,763	46,342

	2024	2023
	£	£
<b>Amounts owed to subsidiary undertakings (note 22)</b>		
Clanmil Properties Limited	-	4,500
Clanmil Developments Limited	100,467	74,024

Transactions between these related parties during the year were as follows:

	2024	2023
	£	£

<b>Clanmil Properties Limited</b>		
Rent charge from Clanmil Housing Association Limited to Clanmil Properties Limited	111,349	130,073
Management and administration charge from Clanmil Housing Association Limited to Clanmil Properties Limited	64,177	121,825
Contribution from Clanmil Properties Limited to Clanmil Housing Association Limited in respect of the insurance of Northern Whig House	1,852	1,792
Gift aid donation from Clanmil Properties Limited to Clanmil Housing Association Limited	61,058	30,479
Rent and service charges from Clanmil Properties Limited to Clanmil Housing Association Limited	115,371	119,953
<b>Clanmil Developments Limited</b>		
Management and administration charge from Clanmil Housing Association Limited to Clanmil Developments Limited	24,794	24,794
Development projects charge from Clanmil Housing Association Limited to Clanmil Developments Limited	97,375	119,119
Charge from Clanmil Developments Limited to Clanmil Housing Association Limited for the provision of property development services	6,196,560	6,010,173
Gift aid donation from Clanmil Developments Limited to Clanmil Housing Association Limited	28,161	46,342



**Clanmil Housing Association Limited**

Northern Ireland - Charity number 103840

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# Annual report

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## Strategic report of the Board for the year ended 31 March 2024

The Board present their strategic report and the audited financial statements for the year ended 31 March 2024 of Clanmil Housing Association Limited (the “Association”) and its subsidiaries (the “Group”).

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

### Gender analysis

The Executive Team of the Association comprises 3 females and 3 males at year end. The Group had 334 employees on the 31 March 2024, both part and full time, of which 105 are male and 229 are female.

### Status

Clanmil Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP000136) and is a Registered Housing Association.

The Association is a registered charity with HMRC (Charity No. XR 43042).

The Association is registered with the Charity Commission for Northern Ireland (Registration No. NIC103840).

### Group structure

Clanmil Housing Association Limited provides social and affordable housing in Northern Ireland and is the controlling member of the Group. Clanmil Developments Limited provides property development services to assist Clanmil Housing Association in delivering its social housing development programme. Clanmil Properties Limited manages commercial property rentals and provides services to property management companies and other Housing Associations/Organisations. Milbreen Limited is currently dormant but intends to develop housing for sale.

Refer to note 18 for details of Clanmil Housing Association Limited’s investments in subsidiary undertakings.

### Principal activities

The Group provides over 5,800 high quality homes for rent throughout Northern Ireland and helps facilitate home ownership for people who cannot afford to purchase a home outright through its shared equity product.

Our homes are allocated to people from the housing selection scheme managed by the Northern Ireland Housing Executive.

A wide range of people live in our homes. All share a need for a good quality home, and to be part of a sustainable community where they can live well, flourish and thrive. We offer a wide range of high quality housing and services including:

- homes for families and single people;
- housing and support for older people;
- supported housing for older people with dementia and for people with learning disabilities and mental ill-health;
- hostels providing temporary refuge for women and their children escaping domestic violence;
- houses for Irish Travellers; and
- supported housing for young people leaving care.

Our equity share, part-buy, part-rent scheme makes home ownership achievable for people who cannot afford to purchase a home outright. It allows first time buyers to purchase a share in a home and pay rent on the remaining share, with an option to buy the remainder at a time that suits them.

## Strategic report of the Board for the year ended 31 March 2024 (cont'd)

### Shaping our Future Strategy 2026

In April 2021 we launched our new Strategy, Shaping our Future and we began our shaping our future journey set out in a bold five year strategic plan. This plan was co-designed by colleagues, customers and stakeholders, and is both challenging and ambitious and provides, we believe, focus for us all, whilst reinforcing the importance of genuine partnerships that help our customers thrive and flourish within sustainable communities.

Together we want to:



#### Leave a positive experience

- We believe there's always an opportunity to leave a positive lasting impression if you show compassion and demonstrate your care
- We see the person, not the problem
- Whilst we know that sometimes we might have to have a tough conversation or make a hard decision, we will always act with honesty, fairness and respect regardless of the circumstances
- We are a people business, so trust and great relationships are crucial



#### Believe in better

- With a world of opportunity and a head full of possibility, we have a shared ambition to do more
- We challenge ourselves, each other, what we do and the world around us to not just settle but improve and strive for better
- We remain curious about what could be, embracing change whilst never losing sight of what we believe in
- We are a force for good, so we're confident to stand up and be counted



#### Achieve together

- Together we are stronger, it's as simple as that
- By working as one with colleagues, customers and communities we can make real change happen, overcome challenges and move things forward with great energy
- We all see the world differently, and we might not always agree. We embrace that
- We celebrate our diversity and the benefit that brings as we know that with unity comes strength

The five key aims of our Strategy are:



### Build and maintain quality homes whilst preserving the environment

Having the right place to call home is an essential part of being able to live well. With that in mind we want to play a leading role in tackling the housing crisis in Northern Ireland. We want to strengthen existing communities and help to create new ones through the development of new sustainable homes that are built for the future. The homes we build will be well maintained, safe and energy efficient. Climate change is the challenge of a generation so we must play our part in reducing our carbon footprint. We aim to:

- Build and develop up to 1,400 well designed, energy efficient, mixed-tenure homes in the next five years.
- Target the design and delivery of new homes in both urban and rural areas with the greatest housing need.
- Be innovative in our delivery and adopt all affordable delivery options, including modern methods of construction, to minimise our carbon footprint.
- Invest in actively managing our assets, making them safe and attractive places to live.
- Subsidise our core activity by diversifying our approach, capitalising on new opportunities for growth through initiatives such as the empty and affordable homes schemes.



### Provide services that make life easier for our customers

We want our customers to sustain their tenancies for as long as they choose. It's important that we remain responsive to changing customer needs and that we make life easier for them by making it easy to do business with us. We need to build and maintain healthy, trusting and respectful relationships with our customers, so they are empowered to help shape the standard of services we provide. We will:

- Create services that provide a great customer experience, being clear about what we offer and how we work to support diverse customer needs.
- Build trusting relationships by getting to know our customers, their communities and listening to their individual needs.
- Working in partnership with other service providers, create an environment where stable communities can thrive and customers are empowered to make informed decisions that are right for them.
- Create more opportunities for regular and robust customer feedback to generate quality insights that will help us to continually enhance our services.
- Develop an excellent multi-channel approach to serving our customers, giving customers a real choice in how they want to talk to us.

## Strategic report of the Board for the year ended 31 March 2024 (cont'd)



### Create a brilliant and sustainable organisation, fit for the future

In a world of digital, environmental and social disruption we must be ready to change and adapt to fulfil our purpose, and as a business we're only as good as our people and that's why we want to create a great place to work. We realise that to achieve our ambitions we must have financial strength and operational efficiency, and that we have to manage our business to the highest standards. This will come through robust financial management and systems, as well as seeking to potentially generate additional revenue that we can re-invest for the benefit of our customers. We seek to:

- Review our organisational design and capability to ensure we have the right people and expertise to deliver our strategy, managing and communicating change well.
- Strengthen our employer brand and offer to retain great people and attract diverse new talent.
- Lead with our new values and create the right culture where people can deliver their best work.
- We will create more opportunities for colleagues to contribute, feel empowered, supported in personal and professional development and have their voices heard.
- Deliver organisational efficiency and operational excellence by maximising the benefits of new and existing technologies to improve our end-to-end processes.
- Optimise our financial group structure and identify opportunities for future growth through partnership or innovation, launching new effective services for our customers and communities.



### Be a respected voice to grow our impact

We believe that everyone has the right to a quality home and the opportunity to live in a safe and supportive community, that's why we will stand up and be heard when it comes to social housing. We want people to understand the importance of the sector and we want to add our voice to future housing policy so that we can ensure the issues that really impact on people's lives are addressed. We will promote a positive view of Clanmil, both locally and regionally, to create both interest and demand in partnering with us or in becoming a customer. This will be achieved by:

- Creating strong, trusted and productive relationships with new and existing stakeholders.
- Initiating change, influence policy and be leaders within the housing sector to deliver our purpose.
- Powerfully communicating our new strategy and brand so people understand who we are, what we do and how we add value to people's lives.
- Using the right communication channels to effectively engage our audiences and maximise our impact, sharing our successes beyond the housing sector.
- Cultivating new partnerships with service providers that are beneficial in helping our customers to live well, whilst also addressing future societal challenges.



### Reach, connect and collaborate to strengthen communities

We know that some communities do not get the chance to thrive. We believe there are more ways in which we can support people and their communities beyond simply providing them with a home. We want to help make this a more shared place and we know that shared communities have a lasting positive impact on people's lives. We appreciate the value in developing great partnerships and we understand the importance of these in supporting our customers. We want to maximise these partnerships so that customers know where to look for guidance, help and expertise. We aim to:

- Focus our resources on the people who need most support, working closely with expert partners to deliver more services that communities need.
- Commission a review of existing community development activity to identify the biggest challenges and opportunities; determining whether we lead, leave, collaborate or delegate.
- Contribute to building stable communities by supporting people to live well and keep their homes. We will achieve this through financial inclusion services, creating opportunities and by exploring new ways of tackling isolation in a post-COVID world.
- Support our existing shared communities and deliver at least five more shared schemes that are welcoming to all and give people the choice of living alongside neighbours from many backgrounds and traditions.
- Raise environmental awareness by nurturing a community culture that values the environment, community landscapes and energy efficiency.

## Strategic report of the Board for the year ended 31 March 2024 (cont'd)

### Our Performance

For the core business areas the Board has set a number of key performance indicators - these include rent arrears, voids, customer satisfaction, growth, maintenance repair times, staff turnover and financial stability. Our performance is also assessed through a number of statutory inspection regimes, and we are committed to continuing to achieve the highest standards.

The financial year to 31 March 2024 was impacted by the continued cost of living crisis and economic turmoil arising from the Russian invasion of Ukraine and the conflict in Gaza. We experienced difficulties with the delivery of our repairs service in the latter part of the year. Of over 26,000 repairs we processed in the year, only two-thirds were completed on time, this is disappointing, and we apologise to our customers and colleagues and thank them for their patience and support as we work with a number of interim contractors to resolve the backlog. We also experienced significant increases in repair costs and in common with our customers, energy costs and financing costs.

We assess our performance by how satisfied our customers are with the homes and services we provide. We regularly seek feedback from the people who live in our homes on everything from repairs to neighbourhoods.

For the financial year ending 2023/24, following an independent survey,

- 68.2% of our tenants were satisfied with our overall service;
- 74.8% were satisfied with the quality of their home; and
- 73.0% were satisfied with their neighbourhood as a place to live.

We continue to focus on the services that matter to our customers and are working with them to improve satisfaction levels.

The Group continues to grow and efficiency savings are reinvested where appropriate to improve existing services, deliver additional services, maintain and improve the condition and value of our homes as well as the delivery of new homes.

We strive to operate efficiently and effectively, and outputs are monitored by the Board who receive performance reports covering a variety of financial and non-financial performance information.

In challenging operating conditions, the Association achieved the following performance against its key targets for 2023/24:

Performance Indicator	Actual 2023/24	Target 2023/24	Comment
Gearing ratio	32%	45%	Gearing is now calculated in line with new loan covenants as debt as a percentage of gross book value of property. The Group was fully compliant with loan covenants during the year.
Interest cover	3.25 times	1.25 times	Now calculated excluding major repairs. Better performance than target. The Group was fully compliant with interest cover covenants during the year.
Operating margin	31.6%	30.9%	Operating margin of 32% can be partly attributed to effective procurement, operational efficiencies and increased income in the year.
Social Housing arrears including rent, rates and service charges	5.6%	5.1%	Performance impacted by the ongoing impact of the cost of living crisis and impact on our customers, increase in numbers of customers moving onto Universal Credit as well as court delays, in pursuing judgements to recover rent arrears.
Social Housing voids	2.0%	2.5%	Performance continued to improve, work now focussed on key properties.
Response maintenance repairs completed within timescale	66.6%	92%	Repairs completion performance fell to 66.6% overall impacted by response times increasing in the latter part of the year. As part of a strategic improvement plan we are currently procuring 7 regional response maintenance contracts with renewed focus on job completion and improving customer satisfaction.
Customer satisfaction	68.2%	90%	Whilst this reflects a very slight improvement on 22/23 the outturn of 67.9% this remains a key area of focus.

## Strategic report of the Board for the year ended 31 March 2024 (cont'd)

The management of financial resources is critical to the Group's ability to meet its objectives. Whilst the registered Housing Association has voluntary non-profit making status, the generation of an annual surplus is vital to ensure the ongoing investment in our existing homes, the delivery of new homes to play our part in alleviating the housing crisis in Northern Ireland, providing for longer term maintenance obligations, to meet our commitments to lenders, and to generally ensure adequate protection against unforeseen circumstances.

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

- 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;
- Professional and dedicated staff who are committed to the Group's objectives; and
- A proven ability to play its part in the delivery of the social housing development programme.

### Colleagues

Our success is due to the commitment and professionalism of the people who work at Clanmil. Our teams worked incredibly hard in difficult circumstances this year to share and promote our values ensuring that our customers remain at the heart of everything we do.

The Group's total staff costs increased from £9.2m in 2022/23 to £10.2m in 2023/24. As a percentage of turnover staffing costs increased slightly from 19.3% in 2022/23 to 19.4% in 2023/24. Sickness absence levels reduced from 4.5% in 2022/23 to 3.44% in 2023/2024, Labour turnover decreased from 17% in 2022/23 to 16.5% in 2023/24.

### Value for Money (VfM)

Achieving value for money remains a key business objective. Our aim is to utilise our assets and resources as much as possible to meet the needs of existing and future customers.

To do this we continue to work collaboratively across Clanmil, harnessing the innovation and creativity of our people, our customers and stakeholders to deliver improvements through efficiency, effectiveness and economy.

Through effective procurement activity over the year, Clanmil achieved savings of £1,271,124 through the tendering of 10 projects with a value deemed to be over £30,000.

In addition, 13 individual quotation exercises were undertaken (i.e. they were under £30,000 each), which ensured we received the best value for money in relation to a £110,355 saving based on the lowest and second lowest quotation received.

The total savings generated to the business across these 20 various procurement activities was £1,381,480.

Through positive social impact we:

- Assisted 1,144 customers with money advice
- Helped them secure £3.6m in additional income, an increase from £3.0m in 2022-23,
- Supported 158 customers to set up and run their homes by accessing discretionary support grants with an average award of £1,545 each
- Worked with contractors to secure £7,500 in cash, £8,150 towards new home starter packs and 10 labour days for Social Value projects

We will continue to integrate Value for Money into our culture as a matter of course, with value defined from the perspective of our customers and the services we deliver.

## Strategic report of the Board for the year ended 31 March 2024 (cont'd)

### Delivering more social housing to address the housing need in Northern Ireland

During the year we continued to make progress to deliver our strategic target of 1,400 new homes by 2026 and saw 261 new homes starting on site bringing the total number of homes under construction at the end of the financial year to 556. Our handover target was impacted by a number of issues across several schemes including delays with statutory bodies and the continued impact of material cost increases and rising inflation, but we did take handover of 60 new homes. The Development team continued to manage construction contracts robustly in line with contract terms.

To achieve the ambition of our Growth Strategy and deliver more homes, we plan to make our assets work harder, through increasing our gearing (which remains within the covenants granted by the lending institutions that have supported us), focusing on driving improvement on voids, investigating complementary income streams and improving operational efficiency. We successfully launched a private placement for £100m in September 2022 complementing the renegotiation of £150m of existing borrowing facilities at more favourable rates in 2021/22. We have £50m of agreed undrawn loan facilities available to assist in funding our growth strategy and meeting ongoing commitments.

We have generated modest surpluses from diversification into housing related activities. The purpose of the diversification is to provide surpluses to continue to subsidise new affordable housing. These diversified activities, albeit on a relatively small scale, are successfully operating in the market rental sector, commercial retail units and Management Agent services.

### Providing good quality and efficient services to tenants

2023/24 was a busy year for the team at Clanmil who, despite a number of challenges, remained focussed on our core purpose and continued to work hard to deliver the homes and services our customers need.

Our purpose is to provide homes for people to live well at all stages of life and in December 2023 we launched a new Older People Strategy setting out how we will respond to the growing number of older people needing homes and services at a time when social and healthcare provision is under severe pressure. Co designed with customers and colleagues; this strategy will ensure we focus our efforts where they really matter.

The rising cost of living continued to impact many of our customers and our Hardship Fund was a lifeline to many of our customers who were struggling to put food on the table and heat their home. During the year we also provided financial and debt management advice to 1,142 customers generating more than £3.6m additional income for them.

We regularly hear from customers how much they value quality repairs that keep their homes safe, secure and comfortable. It was therefore disappointing when we experienced difficulties with the delivery of this service in the latter part of the year and we worked hard to put interim contractors in place to assist with closing out the backlog and commenced a review of how we could better deliver an efficient and reliable repairs service to meet our customers' needs and we expect to have these new arrangements in place in 2024. However, this did not stop the continuing investment in our homes and we spent £5.4m improving customer homes through replacement kitchens, bathrooms, redecoration, new windows and new heating and fire alarm systems. We also continued to identify and make good any issues with damp and mould working alongside customers to find effective solutions.

We continued to work hard to strive to be a customer centric organisation – one that listens to and acts on what customers are telling us – and during the year we reviewed and updated our lettable standards, standards of service and our customer handbook so that customers are clear on roles and responsibilities and exactly what our offer is. We also refined our approach to customer engagement and are looking forward to building on this in 2024.

### Investing in our communities

Clanmil is committed to improving community cohesion and good relations by increasing the number of Shared Neighbourhoods across Northern Ireland. During the year we continued to deliver Good Relations Projects to strengthen relationships between our Customers and Communities within a five-mile radius in our current 9 Shared Neighbourhoods in Banbridge, Belfast, Cookstown, Crossgar, Crumlin, Downpatrick, Glenwhirry, Newtownabbey and Newcastle. The Cohesion team are currently working hard to promote a further two schemes in Antrim and during the year we got approval to take forward a further shared housing scheme in Magherafelt.

### Other value for money considerations

The Association has maintained an operating margin of 32% which can be partly attributed to effective procurement, operational efficiencies and increased income in the year. We continue to avail of the benchmarking provided by Housemark, which enables us to better understand our costs and quality of service provision, leading to better informed decision making.

## Strategic report of the Board for the year ended 31 March 2024 (cont'd)

### Environment

We also focused on making existing homes as energy efficient as they can be, and our new Environmental Strategy 2024-2029 sets out our intent to bring all Clanmil homes to EPC rating C by 2030. This Strategy is our route map towards achieving net zero by 2050, embed environmental protection in all that we do and includes a commitment that the heating systems in our homes will be electric first.

Our strategy has five goals:

1. Design and build energy efficient homes, creating sustainable places to live
2. Effectively manage our energy use and reduce our carbon output
3. Invest in our existing homes to improve their energy efficiency, helping to minimise the impact of fuel poverty on customers and ensure homes are safe, decent and free from dampness and mould
4. Improve our environmental management of waste and water and support biodiversity and habitat.
5. Engage with our customers, colleagues and partners to inform them of our environmental management work and journey towards sustainability and net zero

Currently 99.9% of our stock meet Decent Homes standard. We are working to improve levels of thermal comfort, as a result 86% of our homes are already at EPC rating C. This year we have commenced a 5-year programme of upgrading communal heating systems and to begin the transition to electric home heating. Our electricity supply contracts are all from green renewable tariffs.

Over the year we have continued construction on our exemplar project to meeting EPC rating A. We also reviewed and updated the Clanmil Design Guide which clearly sets out our ambitions for our new homes so that we are minimising the environmental impact of our construction activity and providing energy efficient homes that are cost effective for our customers. We will now design and build all our new homes to EPC rating A.

Details of Clanmil Energy Consumption and Emission Report for the period 1 April 2023 to 31 March 2024 were as follows:

Energy consumption used to calculate emissions (KWH)	
Gas:	6,097,635
LPG:	N/A
Gas Oil	1,967,123
Kerosene	339,409
Electricity:	3,077,145
<b>Total</b>	<b>11,481,312</b>
Emission from combustion of gas (kgCO <sub>2</sub> e)	1,115,440
Emission from combustion of LPG (kgCO <sub>2</sub> e)	N/A
Emission from combustion of heating oil-Kerosene (kgCO <sub>2</sub> e)	83,756
Emission from consumption of heating oi-Gas Oil (kgCO <sub>2</sub> e)	504,567
Emission from purchased electricity (kgCO <sub>2</sub> e)	637,197
Emission from business travel in company owned vehicles (kgCO <sub>2</sub> e)	82,130
Emission from travel in non-company owned vehicles (kgCO <sub>2</sub> e)	58,417
<b>Total Gross (tCO<sub>2</sub>e)</b>	<b>2,442</b>
Intensity ratios: tCO <sub>2</sub> e based on:	
Properties owned:	0.42tCO <sub>2</sub> e/house owned
Energy supplies:	7.51tCO <sub>2</sub> e/supply
Annual Turnover:	4.64tCO <sub>2</sub> e/£100,000

Our business carbon footprint of 2,442 tonnes of CO<sub>2</sub> represents a 11.3% reduction from base year 2021/22. Figures are derived from the Energy Consumption Master Spreadsheet controlled by Clanmil Housing Association containing, Electricity, Natural Gas, LPG, Heating Oil consumption on a monthly basis sourced from invoices.

Company vans mileage data obtained from Clanmil Housing. Non-company owned mileage data obtained from Clanmil Housing.

### For the year ahead 2024/25

Our year ahead will again focus on listening and acting upon what our customers are telling us. We will continue to provide homes and services for people to live well and the provision of a quality, responsive repair service for customers will be a key priority. We will continue on our digital journey maximising the efficiencies we can achieve in the delivery of high-quality services. We will also

**Strategic report of the Board for the year ended 31 March 2024 (cont'd)**

examine opportunities for additional funding to support our continuing development programme to deliver new homes so Clanmil can play its part in alleviating the housing crisis in Northern Ireland given the high number of applicants on the waiting list for a social home.

**Risk Management**

Clanmil continues to manage risk in line with our Risk Management Policy, framework, and governance structures. Responsibility for the identification of risk at a strategic, directorate and operational level is clearly defined, and risks are regularly assessed and reviewed.

Key risks facing the Group are considered by the Board / Group Audit and Risk Committee on a quarterly basis and the Board has adopted a risk-aware strategic approach. Our risk appetite statement is reviewed annually to ensure continued focus on the management of risk as it drives forward the delivery of its strategic ambitions.

Performance in the sector is generally affected by government policies and changing legislation, the impact of the regulatory regime, changes in demographic, political or economic conditions or environmental risks. Some of the major factors which may affect the Group over the next year are:

- Ability to deliver our strategic growth ambition.
- Net zero carbon/sustainability/environmental commitments.
- Ability to deliver a high standard of customer service (associated reputational risks).
- Cyber and data security.
- Fire and building safety, including damp and mould.
- Contract management and supply chain costs.
- Recruitment and retention of the right people.
- Funding pressures associated with the NI Budget.
- Data quality, and particularly the information on existing stock.
- Political environment (including changes in policy, legislation and regulation, welfare reforms and rent control).

**Performance in the year ended 31 March 2024**

Overall the number of properties increased, with 60 new homes handed over, and an additional unit was created in one of our care homes. These were offset by the loss of 19 homes via the right to buy house sales scheme together and 5 shared ownership homes where customers purchased the remaining equity in their homes). Overall the number of properties increased from 5,851 to 5,888 (note 31).

The Association's annual review of rental charges at April 2023 resulted in a 9.0% increase in the majority of rents.

There were 556 homes under construction by the Group at 31 March 2024.

£37.0 m was spent on housing properties additions and component replacement during the year (notes 14 and 17) partially funded by Housing Association Grant of £19.3m (note 15).

Turnover for the Group increased by 10.5% from £47.5m in 2022/23 to £52.5m. This was facilitated by rent increases, together with a £1.3m increase in grant amortised and increased rates recharges of £0.4m.

Group operating costs increased by £1.5m to £35.9m and represent 68.3% of turnover (72.3% in 2022/23). This was impacted by inflationary pressures on maintenance costs, increased salary costs reflect inflationary pressures as well as increased head count.

The surplus on ordinary activities for the Group was £10.5m, an increase of £2.7m over 2022/23. This increase in operating surplus has helped to offset an increase in interest costs resulting from increased borrowing and increasing borrowing costs.

Financing costs increased from £5.6m in 2022/23 to £7.0m. This was in part due to new drawdown of funds secured as part of a Private Placement which was priced before the economic turmoil in September 2022. Loan balances were £204.8m (£182.1m in 2022/23).

Commercial properties comprising commercial premises to let and market rent residential property were revalued at year end 31 March 2024. Overall, the value of these investment properties was impacted by a small decrease on revaluation of £0.1m.

**Strategic report of the Board for the year ended 31 March 2024 (cont'd)**

The Association continues its programme of major repairs and improvements to properties and the total expenditure in the year was £4.2m (excluding associated redecoration). This was £0.6m above planned levels as costs deferred from previous years were caught up on. Expenditure of this type will fluctuate from year-to-year dependent on the age and condition of schemes.

**Events after the balance sheet**

There were no post balance sheet events. The potential ongoing impact of the current economic and political uncertainty is considered under Risk Management and expected performance in 2024/25 is outlined above.

**Expected performance in the year ending 31 March 2025**

Notwithstanding the ongoing economic upheaval, the Group expects further growth in 2024/25, as a result of the significant on-going development programme and the requirement to include inflationary increases in rental charges. Turnover is projected to increase by around 2.5% to approximately £53.8m.

It is planned that approximately 194 additional homes will be completed during the year and after disposals estimated at 7, the total homes owned or managed will increase to approximately 6,075 units (net of right to buy sales and equity share sales).

£5.7m of expenditure regarding the on-going programme of major repairs and improvements to properties is anticipated in the year. The Group operates in a highly regulated environment which can result in associated cost pressures and constraints on income streams. It will continue to develop a co-ordinated corporate approach to achieving efficiency targets in line with the Strategic Plan. Priorities have been set to ensure that efficiencies are gained without an adverse impact on service delivery or service user satisfaction.

**Financial sustainability**

The Group has a robust and comprehensive framework of longer-term financial planning in place. The Board regularly considers the longer-term financial plan which covers a 40-year period. The plan includes sensitivity analysis and compares projected results to funders' covenants where applicable. To demonstrate the robustness of the plan, and to inform the Board of the potential risks associated with the financial plan, several scenario analyses are completed. The most recent plan was considered by the Board in March 2024. This incorporated stress testing on a multi-variate basis that considered the potential downside from economic and business risks potentially arising. This demonstrated that the financial plan does not put undue pressure on the Group, and that through the adoption of planned mitigation strategies the Group can continue to operate within its covenant limits.

By order of the Board



C McTaggart  
**Company Secretary**  
28 June 2024

## Report of the Board for the year ended 31 March 2024

The Board present their report and the audited financial statements for the year ended 31 March 2024 of Clanmil Housing Association Limited (the "Association") and its subsidiaries (the "Group").

### Board

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

### Performance in the year ended 31 March 2024 and expected performance in the year ended 31 March 2025

The sections on performance in the year ended 31 March 2024 and expected performance in the year ended 31 March 2025, are contained in the strategic report, which forms part of this report.

### Treasury

The Group's treasury management policy facilitates the effective management of cash flows, borrowings, investments and the risks associated with these activities. An update to the policy was approved by the Board in December 2023.

At 31 March 2024 the Association had loans outstanding of £204.8 million, compared with £182.1m at 31 March 2023. Short term investments and cash balances total £28.5m compared with £11.0m at 31 March 2023. Average net debt per unit was £30k at 31 March 2024 (£31k 2022/23) as 34 homes (net of disposals) were added in the year.

The Group was fully compliant with loan covenants during the year.

The Association's interest cover ratio for the year of 3.25 times and the gearing ratio as at 31 March 2024 of 32.0% comfortably meet the Association's primary lender requirements.

Responsibility for the management of interest rate risk and liquidity risk is with the Board. The Association finances its operations through a combination of borrowing and the reinvestment of reserves. The amount of borrowings and its terms are reviewed and determined by the Board. The Group engages specialist Treasury Management Advisors to assist in this process.

### Interest rate risk

Exposure to fluctuating interest rates is managed by the composition of a balanced portfolio between fixed rate and variable rate loans.

### Liquidity risk

The Group maintains a mixture of long-term and short-term loan finance that is designed to ensure there are sufficient funds to achieve business objectives and to facilitate planned growth.

As at 31 March 2024, the Group had agreed facilities unused across a number of Institutions of £50m, to assist in funding its growth strategy and meeting ongoing commitments.

### Currency risk

The Association and Group do not engage in foreign currency transactions and so are not exposed to exchange risk.

### Regulation

The Association's principal regulator is the Department for Communities (DfC). It is also regulated by the Charity Commission Northern Ireland (CCNI) and the Northern Ireland Housing Executive (NIHE) in its role as administrator of Supporting People funding and Manager of the Social Housing Development Programme.

## Report of the Board for the year ended 31 March 2024 (cont'd)

The Association complies with the DfC Regulatory Standards. Based on the last Regulatory Framework rating received in relation to 2021/22, DfC determined that Clanmil Housing Association Limited met the Regulatory Standards for Governance, Finance and Consumer with the highest Rating 1- meets the requirement.

### Quality Management

The quality of the Association's management systems is recognised through the Investors in People Silver re-accreditation in May 2022, and the standards of the Regulation and Quality Improvement Authority. The Association also received during the year a bronze accreditation from Diversity Mark charting our pathway on Equality, Diversity and Inclusion.

### Environmental matters

The Group recognises its corporate responsibility to carry out its operations and development programme whilst minimising environmental impacts and its intent is outlined in our new Environmental Strategy 2024 – 2029. The Board's continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

### Statement of the responsibilities of the members of the Board

The Co-operative and Community Benefit Societies Act and registered housing association legislation require the members of the Board to prepare financial statements for each financial year which give a true and fair view of the state of the Association and Group's affairs and of its surplus or deficit for that period. In preparing these statements the Board is required to:

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

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

### Statement of disclosure of information to auditors

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

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

### Internal Control

The Board has overall responsibility for the Association and Group's internal control systems and for reviewing the effectiveness of these. Such systems can only provide the Board with reasonable, and not absolute, assurance against material misstatement or loss as they are designed to manage the risk of failure to achieve business objectives rather than eliminate the risk completely.

**Report of the Board for the year ended 31 March 2024 (cont'd)****Audit**

The Board has established a Group Audit and Risk Committee with clearly defined terms of reference. The main functions of the Group Audit and Risk Committee are to control and review the external and internal audit functions, the internal control systems and monitor the performance of the Association against the key business indicators. The Association's internal auditors report directly to the Group Audit and Risk Committee on completion of each systems review and an annual summary report is produced by the internal auditors summarising the systems audit programme each year. The provision of the external auditor's report to those Charged with Governance also provides some assurance through the year-end audit and the provision of an internal control report.

**Board and Executive Officers**

The members of the Board and the Executive Officers of the Association are listed on page 2.

After a qualifying period each member of the Board becomes a shareholder and holds one fully paid share of £1 in the Association.

**Independent auditors**

The auditors, ASM (B) Ltd, 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



C McTaggart  
Company Secretary  
28th June 2024

**Clanmil Housing Association Limited**

Northern Ireland - Charity number 103840

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# Annual return

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**Independent auditors' report to the members of Clanmil Housing Association Limited****Report on the audit of the financial statements****Opinion**

We have audited the financial statements, included within the Annual Statement of Accounts ("the Annual Report"), which comprise the consolidated and association statements of financial position as at 31 March 2024; the consolidated and association statements of comprehensive income, the consolidated and association statements of changes in reserves, and the consolidated cash flow statement for the year then ended, and the notes to the financial statements, which include a description of the significant accounting policies.

In our opinion, Clanmil Housing Association Limited's group financial statements and association financial statements ("the financial statements"):

- give a true and fair view of the state of the group's and of the association's affairs as at 31 March 2024 and of the group's and association'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);
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 and association 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**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate. or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the groups and association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the groups and association's ability to continue as a going concern.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

**Responsibilities for the financial statements and the audit****Responsibilities of the board for the financial statements**

As explained more fully in the Statement of the responsibilities of the members of the Board of Management set out on pages 12 and 13, the Board is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Independent auditors' report to the members of Clanmil Housing Association Limited (continued)

In preparing the financial statements, the board is responsible for assessing the group and association's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group and association 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.

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:

- a. We considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income and posting of unusual journals. To address those risks we discussed the risks with client management and designed audit procedures to test the timing of revenue recognition and tested a sample of journals to confirm they were appropriate.

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

### Use of this report

This report, including the opinions, has been prepared for and only for the members as a body in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and article 19 of The Housing (Northern Ireland) Order 1992 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### 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 association; or
- the association financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



Brian Clerkin (Senior Statutory Auditor)  
for and on behalf of ASM (B) Ltd  
Statutory Auditor  
Glendinning House  
6 Murray Street  
Belfast  
BT1 6DN

28th June 2024

**Clanmil Housing Association Limited**

Northern Ireland - Charity number 103840

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# Accounts

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**Registered no: IP000136**

**Clanmil Housing Association Limited**  
**Annual Statement of Accounts**  
**for the year ended 31 March 2023**

# Clanmil Housing Association Limited

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## Annual Statement of Accounts for the year ended 31 March 2023

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## Board and advisers

### Board

P Fiddaman MA (OXON) ACA (Chair) (retired 30 September 2022)  
M Monaghan MBE MSc (Chair) (appointed 1 October 2022)  
M McCann MA (Vice Chair)  
P Cassidy BA (QUB) CPFA (paused duties from 22 September 2022 to 11 May 2023)  
N Adams BSc (Hons) (paused duties from 25 March 2021 to 22 September 2022)  
K O'Neill Meng  
D Orr CBE MA  
A Rankin MBE BA (MOD)  
R Williamson BA  
L Hannigan BSc (Hons) MRICS  
N Hill BSc Econ (Hons) FCPFA  
E Patterson MSc CHICM  
J Hannigan FCCA MBA CMCIH CDir co-opted 9 February 2023

### Chief Executive and Company Secretary

C McTaggart Adv Dip CIHCM AssocRICS MCMI

### Registered office

Northern Whig House  
3 Waring Street  
Belfast  
BT1 2DX

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, No. IP000136

### Solicitors (primary)

Mills Selig  
21 Arthur Street  
Belfast  
BT1 4GA

### Bankers (primary)

Danske Bank  
Donegall Square West  
Belfast  
BT1 6SJ

### Independent auditors

ASM (B) Ltd  
Chartered Accountants and Statutory Auditors  
Glendinning House  
6 Murray Street  
Belfast  
BT1 6DN

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

The Board present their strategic report and the audited financial statements for the year ended 31 March 2023 of Clanmil Housing Association Limited (the “Association”) and its subsidiaries (the “Group”).

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

### Gender analysis

The Executive Team of the Association comprises 3 females and 3 males at year end. The Group had 327 employees on the 31 March 2023, both part and full time, of which 97 are male and 230 are female.

### Status

Clanmil Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP000136) and is a Registered Housing Association.

The Association is a registered charity with HMRC (Charity No. XR 43042).

The Association is registered with the Charity Commission for Northern Ireland (Registration No. NIC103840)

### Group structure

Clanmil Housing Association Limited provides social and affordable housing in Northern Ireland and is the controlling member of the Group. Clanmil Developments Limited provides property development services to assist Clanmil Housing Association in delivering its social housing development programme. Clanmil Properties Limited manages commercial property rentals and provides services to property management companies and other Housing Associations/Organisations. Milbreen Limited is currently dormant but intends to develop housing for sale.

Refer to note 18 for details of Clanmil Housing Association Limited investments in subsidiary undertakings.

### Principal activities

The Group provides over 5,800 high quality homes for rent throughout Northern Ireland and helps facilitate home ownership for people who cannot afford to purchase a home outright through its shared equity product.

Our homes are allocated to people from the housing selection scheme managed by the Northern Ireland Housing Executive.

A wide range of people live in our homes. All share a need for a good quality home, and to be part of a sustainable community where they can live well, flourish and thrive. We offer a wide range of high quality housing and services including:

- homes for families and single people;
- housing and support for older people;
- supported housing for older people with dementia and for people with learning disabilities and mental ill-health;
- hostels providing temporary refuge for women and their children escaping domestic violence;
- houses for Irish Travellers; and
- supported housing for young people leaving care.

Our equity share, part-buy, part-rent scheme makes homeownership achievable for people who cannot afford to purchase a home outright. It allows first time buyers to purchase a share in a home and pay rent on the remaining share, with an option to buy the remainder at a time that suits them.

## Strategic report of the Board for the year ended 31 March 2023 (cont'd)

### Shaping our Future Strategy 2026

In April 2021 we launched our new Strategy, Shaping our Future and we began our shaping our future journey set out in a bold five year strategic plan. This plan was co-designed by colleagues, customers and stakeholders, and is both challenging and ambitious and provides, we believe, focus for us all, whilst reinforcing the importance of genuine partnerships that help our customers thrive and flourish within sustainable communities.

Alongside our strategy, we reviewed and clarified our purpose and values that guide us at Clanmil. We are here to provide homes for people to live well and we also spent time this year as an organisation connecting with this purpose and our refreshed values, to ensure that they are at the heart of all that we do and are truly lived by everyone throughout Clanmil. Together we want to:



#### Leave a positive experience

- > We believe there's always an opportunity to leave a positive lasting impression if you show compassion and demonstrate you care
- > We see the person, not the problem
- > Whilst we know that sometimes we might have to have a tough conversation or make a hard decision, we will always act with honesty, fairness and respect regardless of the circumstances
- > We are a people business, so trust and great relationships are crucial



#### Believe in better

- > With a world of opportunity and a head full of possibility, we have a shared ambition to do more
- > We challenge ourselves, each other, what we do and the world around us to not just settle but improve and strive for better
- > We remain curious about what could be, embracing change whilst never losing sight of what we believe in
- > We are a force for good, so we're confident to stand up and be counted



#### Achieve together

- > Together we are stronger, it's as simple as that
- > By working as one with colleagues, customers and communities we can make real change happen, overcome challenges and move things forward with great energy
- > We all see the world differently, and we might not always agree. We embrace that
- > We celebrate our diversity and the benefit that brings as we know that with unity comes strength

The five key aims of our new Strategy are:



#### Build and maintain quality homes whilst preserving the environment

Having the right place to call home is an essential part of being able to live well. With that in mind we want to play a leading role in tackling the housing crisis in Northern Ireland. We want to strengthen existing communities and help to create new ones through the development of new sustainable homes that are built for the future. The homes we build will be well maintained, safe and energy efficient. Climate change is the challenge of a generation so we must play our part in reducing our carbon footprint. We aim to:

- Build and develop up to 1,400 well designed, energy efficient, mixed-tenure homes in the next five years.
- Target the design and delivery of new homes in both urban and rural areas with the greatest housing need.
- Be innovative in our delivery and adopt all affordable delivery options, including modern methods of construction, to minimise our carbon footprint.
- Invest in actively managing our assets, making them safe and attractive places to live.
- Subsidise our core activity by diversifying our approach, capitalising on new opportunities for growth through initiatives such as the empty and affordable homes schemes.



#### Provide services that make life easier for our customers

We want our customers to sustain their tenancies for as long as they choose. It's important that we remain responsive to changing customer needs and that we make life easier for them by making it easy to do business with us. We need to build and maintain healthy, trusting and respectful relationships with our customers, so they are empowered to help shape the standard of services we provide. We will:

- Create services that provide a great customer experience, being clear about what we offer and how we work to support diverse customer needs.
- Build trusting relationships by getting to know our customers, their communities and listening to their individual needs.
- Working in partnership with other service providers, create an environment where stable communities can thrive and customers are empowered to make informed decisions that are right for them.
- Create more opportunities for regular and robust customer feedback to generate quality insights that will help us to continually enhance our services.
- Develop an excellent multi-channel approach to serving our customers, giving customers a real choice in how they want to talk to us.

## Strategic report of the Board for the year ended 31 March 2023 (cont'd)



### Create a brilliant and sustainable organisation, fit for the future

In a world of digital, environmental and social disruption we must be ready to change and adapt to fulfil our purpose, and as a business we're only as good as our people and that's why we want to create a great place to work. We realise that to achieve our ambitions we must have financial strength and operational efficiency, and that we have to manage our business to the highest standards. This will come through robust financial management and systems, as well as seeking to potentially generate additional revenue that we can re-invest for the benefit of our customers. We seek to:

- Review our organisational design and capability to ensure we have the right people and expertise to deliver our strategy, managing and communicating change well.
- Strengthen our employer brand and offer to retain great people and attract diverse new talent.
- Lead with our new values and create the right culture where people can deliver their best work.
- We will create more opportunities for colleagues to contribute, feel empowered, supported in personal and professional development and have their voices heard.
- Deliver organisational efficiency and operational excellence by maximising the benefits of new and existing technologies to improve our end-to-end processes.
- Optimise our financial group structure and identify opportunities for future growth through partnership or innovation, launching new effective services for our customers and communities.



### Be a respected voice to grow our impact

We believe that everyone has the right to a quality home and the opportunity to live in a safe and supportive community, that's why we will stand up and be heard when it comes to social housing. We want people to understand the importance of the sector and we want to add our voice to future housing policy so that we can ensure the issues that really impact on people's lives are addressed. We will promote a positive view of Clanmil, both locally and regionally, to create both interest and demand in partnering with us or in becoming a customer. This will be achieved by:

- Creating strong, trusted and productive relationships with new and existing stakeholders.
- Initiating change, influence policy and be leaders within the housing sector to deliver our purpose.
- Powerfully communicating our new strategy and brand so people understand who we are, what we do and how we add value to people's lives.
- Using the right communication channels to effectively engage our audiences and maximise our impact, sharing our successes beyond the housing sector.
- Cultivating new partnerships with service providers that are beneficial in helping our customers to live well, whilst also addressing future societal challenges.



### Reach, connect and collaborate to strengthen communities

We know that some communities do not get the chance to thrive. We believe there are more ways in which we can support people and their communities beyond simply providing them with a home. We want to help make this a more shared place and we know that shared communities have a lasting positive impact on people's lives. We appreciate the value in developing great partnerships and we understand the importance of these in supporting our customers. We want to maximise these partnerships so that customers know where to look for guidance, help and expertise. We aim to:

- Focus our resources on the people who need most support, working closely with expert partners to deliver more services that communities need.
- Commission a review of existing community development activity to identify the biggest challenges and opportunities; determining whether we lead, leave, collaborate or delegate.
- Contribute to building stable communities by supporting people to live well and keep their homes. We will achieve this through financial inclusion services, creating opportunities and by exploring new ways of tackling isolation in a post-COVID world.
- Support our existing shared communities and deliver at least five more shared schemes that are welcoming to all and give people the choice of living alongside neighbours from many backgrounds and traditions.

## Strategic report of the Board for the year ended 31 March 2023 (cont'd)

- Raise environmental awareness by nurturing a community culture that values the environment, community landscapes and energy efficiency.

### Our Performance

For the core business areas the Board has set a number of key performance indicators - these include rent arrears, voids, customer satisfaction, growth, maintenance repair times, staff turnover and financial stability.

Our performance is also assessed through a number of statutory inspection regimes, and we are committed to continuing to achieve the highest standards.

The financial year to 31 March 2023 was impacted by cost of living crisis and economic turmoil arising from the Russian invasion of Ukraine. We experienced an increase in repairs as we begin to catch up after the delays caused by COVID, but also experienced significant increases in repair costs and in common with our customers, energy costs and financing costs. We assess our performance by how satisfied our customers are with the homes and services we provide. We regularly seek feedback from the people who live in our homes on everything from repairs to neighbourhoods.

For the financial year ending 2022/23, following an independent survey,

- **67.9%** of our tenants were satisfied with our overall service;
- **75.6%** were satisfied with the quality of their home; and
- **74.3%** were satisfied with their neighbourhood as a place to live.

While this shows some improvement on last year, we are committed to high performance and will work to improve levels of customer satisfaction further.

The Group continues to grow and efficiency savings are reinvested where appropriate to improve existing services, deliver additional services, maintain and improve condition and value of our homes as well as the delivery of new homes. .

We strive to operate efficiently and effectively, and outputs are monitored by the Board of Management who receive performance reports covering a variety of financial and non-financial performance information.

In challenging operating conditions, the Association has achieved the following performance against its key targets:

Performance Indicator	Actual 2022/23	Target 2022/23	Comment
Gearing ratio	28%	45%	Gearing is now calculated in line with new loan covenants as debt as a per centage of gross book value of property. The Group was fully compliant with loan covenants during the year.
Interest cover	2.3 times	1.25 times	Better performance than target. The Group was fully compliant with interest cover covenants during the year.
Operating margin	27.3%	24.6%	Lower than anticipated staff costs and better than expected rental income have more than offset increased maintenance costs
Housing schemes total arrears*	5.6%	5.1%	Performance impacted by cost of living crisis and impact on our customers as well as court delays, in pursuing judgements.
Social Housing voids	2.6%	2.6%	Performance improved on 2021/22 out turn of 3.9%, work now focussed on key properties
Response maintenance repairs completed within timescale	84.6%	92%	Performance below target but an improvement on 21/22 performance of 73.4%, a renewed focus is being placed on triaging repairs calls given that 60% are deemed high priority
Tenant satisfaction	67.9%	88%	Whilst this reflects an improvement on 21/22 out turn of 63.4%, this remains a key area of focus

\*This is an internal key performance indicator excluding rates charged and collected on behalf of Land & Property Services

## Strategic report of the Board for the year ended 31 March 2023 (cont'd)

The management of financial resources is critical to the Group's ability to meet its objectives. Whilst the registered Housing Association has voluntary non-profit making status, the generation of an annual surplus is vital to ensure the ongoing investment in our existing homes as well as the delivery of new homes to play our part in alleviating the housing crisis in Northern Ireland as well as providing for longer term maintenance obligations, to meet the commitments to lenders, and to generally ensure adequate protection against unforeseen circumstances.

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

- 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;
- Professional and dedicated staff who are committed to the Group's objectives; and
- A proven ability to play its part in the delivery of the social housing development programme.

### Colleagues

Our success is due to the commitment and professionalism of the people who work at Clanmil. Our teams worked incredibly hard in difficult circumstances this year to share and promote our values ensuring that our customers remain at the heart of everything we do.

The Group's total staff costs increased from £8.3 million in 2021/22 to £9.2 million in 2022/23. As a percentage of turnover staffing costs fell slightly from 19.5% in 2021/22 to 19.3% in 2022/23. Sickness absence levels reduced from 4.9% in 2021/22 to 4.5% in 2022/23, Labour turnover decreased from 23% in 2021/22 to 17% in 2022/23.

### Value for Money (VfM)

Achieving value for money remains a key business objective. Our aim is to utilise our assets and resources as much as possible to meet the needs of existing and future customers.

To do this we continue to work collaboratively across Clanmil, harnessing the innovation and creativity of our people, our customers and stakeholders to deliver improvements through efficiency, effectiveness and economy.

Through effective procurement activity over the year, we achieved the following efficiencies:

- 20 Quotation exercises, ensuring we received the best VfM with regards to approximately £250,000 spend (under £30,000 value each)
- 24 Contracts were tendered for Services to be delivered, with a total pre-tender estimate of £3,517,510. The accepted tender costs were £3,145,074 which is a saving of £372,436 on the pre-tender estimate.
- 4 Contracts were tendered for works, with a total pre-tender estimate of £ 4,572,600. The accepted tender costs of these procurements were £4,522,463 which is a saving of £50,136.

Of these 28 contracts over the £30,000 threshold, the total savings equate to £422,572. In addition we undertook 20 individual quotation exercises (under £30,000 each), which ensured we achieved best value for money with regards to a further £250,000 of spend.

Through positive social impact we:

- Assisted 1,171 customers with money advice
- Helped them secure £3.0m in additional benefits, £1.5m of which assistants to pay their rent
- Supported 174 customers to furnish their homes by accessing discretionary support grants/charities with an average award of £1,510 each
- Worked with contractors to secure £7k for Social Value projects

We will continue to integrate Value for Money into our culture as a matter of course, with value defined from the perspective of our customers and the services we deliver.

## Strategic report of the Board for the year ended 31 March 2023 (cont'd)

### Delivering more social housing with less financial support from the taxpayer

During the year we increased the number of homes under management by 3.2% and have made progress on our plans to deliver 1,400 new homes by 2026 through the development of additional homes for social, market rental, affordable equity share homes and by bringing empty homes back into use across a range of tenures. Construction delays due to material shortages and planning, have impacted both costs and construction timelines but the Development team continue to manage contracts robustly in challenging circumstances. 305 new properties were handed over in the year with a further 357 properties at various stages of development at 31 March 2023.

To achieve those targets, we plan to make our assets work harder, through increasing our gearing (which remains within the covenants granted by the lending institutions that have supported us), focusing on driving improvement on voids, developing complementary income streams and improving operational efficiency. We successfully launched a private placement for £100m in September 2022 complementing the renegotiation of £150m of existing borrowing facilities at more favourable rates in 2021/22. We have £40 million of agreed undrawn loan facilities available to assist in funding our growth strategy and meeting ongoing commitments.

We have generated modest surpluses from diversification into housing related activities. The purpose of the diversification is to provide surpluses to continue to subsidise new affordable housing. These diversified activities, albeit on a relatively small scale, are successfully operating in the market rental sector, commercial retail units and Management Agent services .

### Providing good quality and efficient services to tenants

Keeping our customers' homes safe, secure and comfortable is our priority and during the year after the tragic news from Rochdale, we began a review of all damp and mould cases reported to us over the past two years to ensure they have been resolved or are currently being addressed. Ongoing issues were identified in 4.5% of our homes and our colleagues are working hard with customers to find solutions.

This has reinforced the need for us to listen to, learn from and act on what customers tell us, and in December 2022 we launched our first Customer Strategy, setting out how we will move forward alongside customers to provide the homes and services they need. The strategy was co-designed with our customers and is a statement of our intent to refresh our customer relationships and embed a truly customer centric culture throughout Clanmil. The Customer Council, which comprises eight customers from across Clanmil's homes; provides a channel for engagement between our customers and both senior management and Board Members on a range of issues affecting customers. Four customers from the Customer Council attended the annual Board away day on 9 February 2023, to consider the implementation of the Customer Strategy, including customer priorities and engagement approaches. The Council is supported by seven local engagement fora across Northern Ireland. Customers also contribute to the Health Safety and Well Being forum, a readers panel which helps make policies and publications more customer friendly and as part of the Service Improvement Panel are currently scrutinising our grounds maintenance services. We would like to thank the customers who have been involved so far and have given their time to work with us and help us improve. It really is appreciated.

The completion of phase 1 of our Customer Services Centre is helping us handle customer calls expediently and deal more responsively with queries. We have also continued to develop our Clanmil Connect customer service portal, launched last year, and over 1,500 customers are now registered and using this self-service option. In March 2023 we launched a Clanmil Connect app to further improve accessibility for customers. Also, during the year we introduced a new Digital Strategy that focuses on equipping Clanmil colleagues with digital tools to work better and smarter and on designing and upgrading homes for a digital future.

### Investing in our communities

Clanmil is committed to improving community cohesion and good relations by increasing the number of Shared Neighbourhoods across Northern Ireland. During the year we continued to deliver Good Relations Projects to strengthen relationships between our Customers and Communities within a five-mile radius in our current 9 Shared Neighbourhoods in Banbridge, Belfast, Cookstown, Crossgar, Crumlin, Downpatrick, Glenwherry, Newtownabbey and Newcastle. The Cohesion team are currently working hard to promote a further two schemes in Antim and Carrickfergus.

### Other value for money considerations

The Association has maintained an operating margin of 27% which can be partly attributed to effective procurement and increased income in the year. We continue to avail of the benchmarking provided by Housemark, which enables us to better understand our costs and quality of service provision, leading to better informed decision making.

## Strategic report of the Board for the year ended 31 March 2023 (cont'd)

### Environment

We also continue to implement our Environmental Strategy – a road map for how we will progress the decarbonisation of our existing homes and the design and construction of new homes to the highest possible environmental standard. A key focus of this strategy is ensuring our customers live in homes that are efficient to run.

Currently 98.5% of our stock meet Decent Homes standard. we are working to improve levels of thermal comfort. As a result 85% of our homes are already at EPC rating C with plans to move the remainder (where possible) to EPC rating C by 2030.

We are building our new homes on a fabric first approach and to achieve EPC rating B and we are taking forward a pilot scheme during 2022/23 to design and construct to EPC rating A as well as exploring what will be required to design and construct our homes to the carbon neutral nZEB standard.

### For the year ahead 2023/24

Our year ahead will again focus on engaging with our customers in the face of the unprecedented economic challenges they will face. We will continue on our digital journey maximising the efficiencies we can achieve in the delivery of high quality services. We will also examine opportunities for additional funding to support our continuing development programme to deliver new homes so Clanmil can play its part in alleviating the housing crisis in Northern Ireland given the high number of applicants on the waiting list for a social home.

### Risk Management

Responsibility for the identification of risks is clearly defined and operates through a rolling risk assessment process. Key risks facing the Group are considered by the Board of Management at each meeting and the Board has adopted a risk-aware strategic approach - and reviewed its risk appetite statement in the year to ensure continued focus on the management of risk as it drives forward the delivery of its strategic ambitions.

Performance in the sector is generally affected by government policies and changing legislation, the impact of the regulatory regime, changes in demographic, political or economic conditions or environmental risks. Some of the major factors which may affect the Group over the next year are:

- Political and economic uncertainty caused by events in Europe and more locally the formation of an Executive in Northern Ireland and inflationary impact on our customers.
- Cyber and data security;
- Regulation changes related to the environment and climate change on existing as well as new properties;
- Impact of Brexit / NI Protocol on supply and cost of materials and skills;
- The impact of welfare reform;
- Development risks resulting from timely issue of planning approvals, availability of land and water and sewage infrastructure and property values;
- Regulation changes that could impact the health and safety obligations within our operating environment;
- Limits on Supporting People and other revenue funding;
- Increasing customer demands/expectations including the need to deal with anti-social behaviour.

Measures are in place to manage these risks and the review and implementation of further mitigating actions is regularly monitored by the Board.

### Performance in the year ended 31 March 2023

Overall the number of properties increased (305 new homes handed over including 79 already in stock, being held for redevelopment, a loss of 28 homes via the right to buy house sales scheme alongside 12 shared ownership homes, where customers purchased the remaining equity in their homes) by 186 to 5,851 (note 31).

The Association's annual review of rental charges at April 2022 resulted in a 3.9% increase in the majority of rents.

There were 357 units under development by the Group at 31 March 2023.

£29.5 million was spent on housing properties additions and component replacement during the year (notes 14 and 17) partially funded by Housing Association Grant of £14.8 million (note 15).

## Strategic report of the Board for the year ended 31 March 2023 (cont'd)

Turnover for the Group increased by 12.1% from £42.4 million in 2021/22 to £47.5m. £1.4m or 3.3% of this increase arose from shared equity property disposals.

Group operating costs of £34.4 million represent 72.3% of turnover (69.1% in 2021/22). This includes an increase in costs of £1.9m associated with property disposals.

The surplus on ordinary activities for the Group was £7.8 million, showing a decrease over 2021/22 of £0.5 million (6% decrease) This was impacted by inflationary pressures on maintenance costs, as well as increased repairs as we came out of COVID restrictions. Increased salary costs reflect increased head count and interest costs increases relate to new borrowing to help fund continued growth.

Commercial properties comprising commercial premises to let and market rent residential property were revalued at year end 31 March 2023. Overall these investment properties benefited from a small increase on revaluation of £0.2m.

Financing costs increased from £4.8 million in 2021/22 to £5.6 million. This was in part due to new loans secured as part of a Private Placement which was priced before the economic turmoil in September 2022. Loan balances were £182.1m (£174.7m in 2021/22).

The Association continues its programme of major repairs and improvements to properties and the total expenditure in the year was £3.0 million. This was £0.8m below planned levels. Expenditure of this type will fluctuate from year-to-year dependent on the age and condition of schemes. Costs deferred in 2022/23, will be reprogrammed in 2023/24 and future years.

### Events after the balance sheet.

There were no post balance sheet events. The potential ongoing impact of the current economic and political uncertainty is considered under Risk Management and expected performance in 2023/24 is outlined above.

### Expected performance in the year ending 31 March 2024

Notwithstanding the ongoing economic upheaval, the Group expects further growth in 2023/24, as a result of the significant on-going development programme and the requirement to include inflationary increases in rental charges. Turnover is projected to increase by around 9% to approximately £52.3 million, with the end of the right to buy scheme leading to further house sales as existing applications are processed.

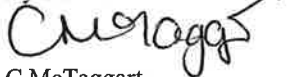
It is planned that approximately 179 additional homes will be completed during the year and after of disposals estimated at 30, the total homes owned or managed will increase to approximately 6,000 units (net of right to buy sales and equity share sales).

£3.7m of expenditure regarding the on-going programme of major repairs and improvements to properties is anticipated in the year. The Group operates in a highly regulated environment which can result in associated cost pressures and constraints on income streams. It will continue to develop a co-ordinated corporate approach to achieving efficiency targets in line with the Strategic Plan. Priorities have been set to ensure that efficiencies are gained without an adverse impact on service delivery or service user satisfaction.

### Financial sustainability

The Group has a robust and comprehensive framework of longer-term financial planning in place. The Board regularly considers the longer-term financial plan which covers a 40-year period. The plan includes sensitivity analysis and compares projected results to funders' covenants where applicable. To demonstrate the robustness of the plan, and to inform the Board of the potential risks associated with the financial plan, several scenario analyses are completed. The most recent plan was considered by the Board in March 2023. This incorporated stress testing on a multi-variate basis that considered the potential downside from economic and business risks potentially arising. This demonstrated that the financial plan does not put undue pressure on the Group, and that through the adoption of planned mitigation strategies the Group can continue to operate within its covenant limits.

By order of the Board



C McTaggart  
Company Secretary  
6 July 2023

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

The Board present their report and the audited financial statements for the year ended 31 March 2023 of Clanmil Housing Association Limited (the “Association”) and its subsidiaries (the “Group”).

### Board

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

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

The sections on performance in the year ended 31 March 2023 and expected performance in the year ended 31 March 2024, are contained in the strategic report, which forms part of this report.

### Treasury

The Group’s treasury management policy facilitates the effective management of cash flows, borrowings, investments and the risks associated with these activities. An update to the policy was approved by the Board in February 2023.

At 31 March 2023 the Association had loans outstanding of £182.1 million, compared with £174.7m at 31 March 2022. Average net debt per unit continued at £31k at 31 March 2023 (£31k 2021/22) as 186 homes (net of disposals) were added in the year.

The Group was fully compliant with loan covenants during the year.

The Association’s interest cover ratio for the year of 2.3 times and the gearing ratio as at 31 March 2023 of 28.0% comfortably meet the Association’s primary lender requirements.

Responsibility for the management of interest rate risk and liquidity risk is with the Board. The Association finances its operations through a combination of borrowing and the reinvestment of reserves. The amount of borrowings and its terms are reviewed and determined by the Board. The Group engages specialist Treasury Management Advisors to assist in this process.

### Interest rate risk

Exposure to fluctuating interest rates is managed by the composition of a balanced portfolio between fixed rate and variable rate loans.

### Liquidity risk

The Group maintains a mixture of long-term and short-term loan finance that is designed to ensure there are sufficient funds to achieve business objectives and to facilitate planned growth.

As at 31<sup>st</sup> March 2023, the Group had agreed facilities unused across a number of Institutions of £40m, to assist in funding its growth strategy and meeting ongoing commitments.

### Currency risk

The Association and Group do not engage in foreign currency transactions and so are not exposed to exchange risk.

### Regulation

The Association’s principal regulator is the Department for Communities (DfC). It is also regulated by the Charity Commission Northern Ireland (CCNI) and the Northern Ireland Housing Executive (NIHE) in its role as administrator of Supporting People funding.

## Report of the Board for the year ended 31 March 2023 (cont'd)

The Association complies with the DfC Regulatory Standards. Based on the last Regulatory Framework rating received in relation to 2021/22, DfC determined that Clanmil Housing Association Limited met the Regulatory Standards for Governance, Finance and Consumer with the highest Rating 1- meets the requirement.

### Quality Management

The quality of the Association's management systems is recognised through the Investors in People Silver re-accreditation in May 2022, and the standards of the Regulation and Quality Improvement Authority.

### Environmental matters

The Group recognises its corporate responsibility to carry out its operations and development programme whilst minimising environmental impacts. The Board's continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

### Statement of the responsibilities of the members of the Board

The Co-operative and Community Benefit Societies Act and registered housing association legislation require the members of the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of the Association and Group's affairs and of its surplus or deficit for that period. In preparing these statements the Board is required to:

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

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

### Statement of disclosure of information to auditors

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

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

### Internal Control

The Board has overall responsibility for the Association and Group's internal control systems and for reviewing the effectiveness of these. Such systems can only provide the Board with reasonable, and not absolute, assurance against material misstatement or loss as they are designed to manage the risk of failure to achieve business objectives rather than eliminate the risk completely.

## Report of the Board for the year ended 31 March 2023 (cont'd)

### Audit

The Board has established a Group Audit and Risk Committee with clearly defined terms of reference. The main functions of the Group Audit and Risk Committee are to control and review the external and internal audit functions, the internal control systems and monitor the performance of the Association against the key business indicators. The Association's internal auditors report directly to the Group Audit and Risk Committee on completion of each systems review and an annual summary report is produced by the internal auditors summarising the systems audit programme each year. The provision of the external auditor's report to those Charged with Governance also provides some assurance through the year-end audit and the provision of an internal control report.

### Board and Executive Officers

The members of the Board and the Executive Officers of the Association are listed on page 2.

After a qualifying period each member of the Board becomes a shareholder and holds one fully paid share of £1 in the Association.

### Independent auditors

The auditors, ASM (B) Ltd, 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



C McTaggart  
Company Secretary  
6 July 2023

**Independent auditors' report to the members of Clanmil Housing Association Limited****Report on the audit of the financial statements****Opinion**

We have audited the financial statements, included within the Annual Statement of Accounts ("the Annual Report"), which comprise: the consolidated and association statements of financial position as at 31 March 2023; the consolidated and association statements of comprehensive income, the consolidated and association statements of changes in reserves, and the consolidated cash flow statement for the year then ended, and the notes to the financial statements, which include a description of the significant accounting policies.

In our opinion, Clanmil Housing Association Limited's group financial statements and association financial statements ("the financial statements"):

- give a true and fair view of the state of the group's and of the association's affairs as at 31 March 2023 and of the group's and association'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);
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 and association 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**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and association's ability to continue as a going concern.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

**Responsibilities for the financial statements and the audit****Responsibilities of the board for the financial statements**

As explained more fully in the Statement of the responsibilities of the members of the Board of Management set out on pages 12 and 13, the Board is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Independent auditors' report to the members of Clanmil Housing Association Limited  
(continued)**

In preparing the financial statements, the board is responsible for assessing the group's and association's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group and association 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.

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:

- a. We considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income and posting of unusual journals. To address those risks we discussed the risks with client management and designed audit procedures to test the timing of revenue recognition and tested a sample of journals to confirm they were appropriate.

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

**Use of this report**

This report, including the opinions, has been prepared for and only for the private registered provider's members as a body in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and article 19 of The Housing (Northern Ireland) Order 1992 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**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 association; or
- the association financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



Brian Clerkin (Senior Statutory Auditor)  
for and on behalf of ASM (B) Ltd  
Statutory Auditor  
Glendinning House  
6 Murray Street  
Belfast  
BT1 6DN  
6 July 2023

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

	Note	2023 £	2022 £
<b>Turnover</b>	5	<b>47,538,571</b>	42,414,269
<b>Operating costs</b>	6	<b>(34,432,582)</b>	(29,291,888)
<b>Operating surplus</b>	7	<b>13,105,989</b>	13,122,381
Surplus arising from disposals of fixed assets		1,954,050	626,867
Transfer to disposal proceeds fund	10	(1,846,379)	(623,792)
Interest receivable and similar income	11	178,855	32,510
Interest payable and similar charges	12	(5,551,329)	(4,749,364)
Other finance (costs)/income	13	(26,000)	(47,000)
<b>Surplus on ordinary activities</b>		<b>7,815,186</b>	8,361,602
Revaluation of Investment Properties	17	237,483	(138,341)
Actuarial gain/(loss) in respect of Pension scheme	33	(650,000)	1,042,000
<b>Retained surplus for the financial year</b>		<b>7,402,669</b>	9,265,261
Retained surplus brought forward		69,803,698	60,538,437
<b>Retained surplus carried forward</b>		<b>77,206,367</b>	69,803,698

All amounts above relate to continuing operations of the Group.

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

		2023 £	2022 £
Surplus on ordinary activities		7,815,186	8,361,602
Movement in share capital	26	1	0
Revaluation of Investment Properties	17	237,483	(138,341)
Actuarial gain / (loss) in respect of Pension scheme	33	(650,000)	1,042,000
Derecognition of Future pension contribution liability			
<b>Net addition to capital and reserves</b>		<b>7,402,670</b>	9,265,261
<b>Opening total capital and reserves</b>		<b>69,803,708</b>	60,538,447
<b>Closing total capital and reserves</b>		<b>77,206,378</b>	69,803,708

The notes on pages 21 to 48 form part of these financial statements.

**Association statement of comprehensive income for the year ended 31 March 2023**

		2023 £	2022 £
<b>Turnover</b>		<b>47,801,339</b>	42,677,158
<b>Operating costs</b>	6	<b>(34,755,444)</b>	(29,665,100)
<b>Operating surplus</b>	7	<b>13,045,895</b>	13,012,058
Surplus arising from disposals of housing property		1,954,050	626,867
Transfer to disposal proceeds fund	10	(1,846,379)	(623,792)
Interest receivable and similar income	11	178,855	38,329
Interest payable and similar charges	12	(5,551,329)	(4,749,364)
Other finance (costs)/income	13	(26,000)	(47,000)
<b>Surplus on ordinary activities</b>		<b>7,755,092</b>	8,257,098
Revaluation gain/ (loss) on Investment Properties	17	237,483	(138,341)
Actuarial gain/(loss) in respect of Pension scheme	33	(650,000)	1,042,000
<b>Retained surplus for the financial year</b>		<b>7,342,575</b>	9,160,757
Retained surplus brought forward		69,685,742	60,524,985
<b>Retained surplus carried forward</b>		<b>77,028,317</b>	69,685,742

All amounts above relate to continuing operations of the Association.

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

		2023 £	2022 £
Surplus on ordinary activities		7,755,092	8,257,098
Movement in share capital	26	1	-
Revaluation gain/ (loss) on Investment Properties	17	237,483	(138,341)
Actuarial gain/(loss) in respect of Pension scheme	33	(650,000)	1,042,000
Net addition to capital and reserves		7,342,576	9,160,757
Opening total capital and reserves		69,685,752	60,524,995
<b>Closing total capital and reserves</b>		<b>77,028,328</b>	69,685,752

The notes on pages 21 to 48 form part of these financial statements.

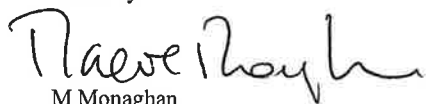
# Clanmil Housing Association Limited

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## Consolidated statement of financial position as at 31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Housing properties - depreciated cost	14	557,513,756	543,796,781
Investment Properties	17	17,557,555	16,826,475
Other tangible fixed assets	16	2,103,918	2,008,946
Investments	18	20,085	20,085
		<b>577,195,314</b>	<b>562,652,287</b>
<b>Current assets</b>			
Assets held for resale		0	0
Debtors	19	19,083,518	14,708,196
Investments	20	2,533,466	2,492,940
Cash at bank and in hand	21	8,438,217	5,603,203
		<b>30,055,201</b>	<b>22,804,339</b>
<b>Creditors: amounts falling due within one year</b>	22	<b>(37,130,750)</b>	<b>(35,271,622)</b>
<b>Net current assets</b>		<b>(7,075,549)</b>	<b>(12,467,283)</b>
<b>Total assets less current liabilities</b>		<b>570,119,765</b>	<b>550,185,004</b>
<b>Creditors: amounts falling due after more than one year</b>	23	<b>(491,506,387)</b>	<b>(479,245,296)</b>
<b>Pension deficit</b>		<b>(1,407,000)</b>	<b>(1,136,000)</b>
<b>Net assets</b>		<b>77,206,378</b>	<b>69,803,708</b>
<b>Capital and reserves</b>			
Called up share capital	26	11	10
Revenue reserve		77,206,367	69,803,698
<b>Total funds</b>		<b>77,206,378</b>	<b>69,803,708</b>

The financial statements on pages 16 to 48 were approved by the Board of Management on 6<sup>th</sup> July 2023 and were signed on its behalf by:




M Monaghan  
Chair of the Board

M McCann  
Vice-Chair of the Board



C McTaggart  
Secretary of the Board



# Clanmil Housing Association Limited

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## Association statement of financial position as at 31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Housing properties - depreciated cost	14	557,513,756	543,796,781
Investment Properties	17	17,557,555	16,826,475
Other tangible fixed assets	16	2,090,479	1,982,955
Investments	18	25,087	25,087
		<b>577,186,877</b>	<b>562,631,298</b>
<b>Current assets</b>			
Assets held for resale		-	-
Debtors	19	16,865,840	12,144,481
Investments	20	2,533,466	2,492,940
Cash at bank and in hand	21	8,057,075	5,178,982
		<b>27,456,381</b>	<b>19,816,403</b>
<b>Creditors: amounts falling due within one year</b>	22	<b>(34,701,543)</b>	<b>(32,380,653)</b>
<b>Net current assets (liabilities)</b>		<b>(7,245,162)</b>	<b>(12,564,250)</b>
<b>Total assets less current liabilities</b>		<b>569,941,715</b>	<b>550,067,048</b>
<b>Creditors: amounts falling due after more than one year</b>	23	<b>(491,506,387)</b>	<b>(479,245,296)</b>
<b>Pension deficit</b>	33	<b>(1,407,000)</b>	<b>(1,136,000)</b>
<b>Net assets</b>		<b>77,028,328</b>	<b>69,685,752</b>
<b>Capital and reserves</b>			
Called up share capital	26	11	10
Revenue reserve		77,028,317	69,685,742
<b>Total funds</b>		<b>77,028,328</b>	<b>69,685,752</b>

The financial statements on pages 16 to 48 were approved by the Board of Management on 6th July 2023 and were signed on its behalf by:

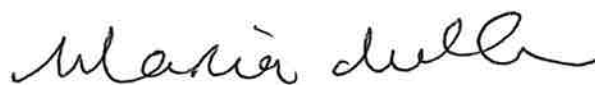


M Monaghan  
Chair of the Board of Management

M McCann  
Vice-Chair of the Board



C McTaggart  
Secretary of the Board



**Consolidated cash flow statement for the year ended 31 March 2023**

	Note	2023 £	2022 £
<b>Net cash inflow from operating activities</b>	27	<b>11,558,533</b>	9,754,448
<b>Cash flow from investing activities</b>			
Purchase and development of housing properties		(30,734,395)	(37,234,170)
Housing Association Grant and other grants		14,330,865	21,650,517
Voluntary Purchase Grant		533,391	112,000
Receipts from disposal of housing properties		5,457,511	2,662,974
Purchase of other tangible assets		(289,855)	(287,555)
Interest received		90,191	60,302
<b>Net cash used in investing activities</b>		<b>(10,612,292)</b>	(13,035,932)
<b>Cash flows from financing activities</b>			
New loans		40,000,000	145,331,132
Loan principal repayments		(32,543,473)	(140,459,405)
Allotment of shares			-
Interest paid		(5,527,228)	(4,948,016)
<b>Net cash used in financing activities</b>		<b>1,929,299</b>	(76,289)
<b>Net Increase in cash and cash equivalents</b>		<b>2,875,540</b>	(3,357,773)
Cash and cash equivalents at the beginning of the year		8,096,143	11,453,916
<b>Cash and cash equivalents at the end of the year</b>	28/29	<b>10,971,683</b>	8,096,143

The notes on pages 21 to 48 form part of these financial statements.

**Notes to the financial statements for the year ended 31 March 2023****1 General information**

The group and association's principal activity during the financial year was providing high quality, affordable homes for rent throughout Northern Ireland and to help facilitate home ownership for people who cannot afford to purchase a home outright. The group is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and domiciled in the UK. The address of the registered office is Northern Whig House, 3 Waring Street, Belfast, BT1 2DX.

**2 Statement of compliance**

These financial statements of Clanmil Housing 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") under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom and Statement of Recommended Practice for Accounting by Registered Social Landlords. 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.

**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 company 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, except for the revaluation of investment properties. 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 association 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 group Statement of comprehensive income account and Statement of financial position include the financial statements of the group and its subsidiary undertakings made up to 31 March 2023. Intra group transactions, any unrealised profits/losses arising and intercompany balances are eliminated fully on consolidation.

**Foreign currencies**

Transactions and non-monetary assets, denominated in foreign currencies, are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date or the exchange rate of a related foreign exchange contract where relevant. The resulting exchange gains or losses are dealt with in the income and expenditure account.

**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 association and value added taxes. The group and association 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 association recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the group and association 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 association and (e) when the specific criteria

**Notes to the financial statements for the year ended 31 March 2023****3 Summary of significant accounting policies (continued)**

relating to each of the group and association's sales channels have been met, as described below and in note 5.

**i) Net rental income**

Income includes rent and service charge income arising from the provision of housing accommodation and the amortisation of Housing Association Grant. Income is recognised in the period to which it relates.

**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.

**iii) Other income**

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

**Employee benefits**

The group provides a range of benefits to employees, including paid holiday arrangements and defined contribution 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 benefit is received.

**ii) Defined contribution pension plans**

The group operates a defined contribution scheme for certain employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

**iii) Multi-employer pension plan**

The Group operates a defined benefit scheme through the Social Housing Pension Scheme (SHPS). From the year ended 31 March 2019, it was possible for the first time for the Group to account for the plan as a defined benefit plan. It previously accounted for the plan as a defined contribution scheme. Similar to the year end 31 March 2022, the assets and liabilities relating to the defined benefit plan have been recognised in the financial statements as at 31 March 2023 (note 33).

The assets of SHPS are held separately from those of the Group. The Group has adopted section 28 of FRS 102 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 increase in the present value of the liabilities of the Association's defined pension scheme arising from the employee service in the year is charged to operating surplus. The net interest on the deficit or surplus is included in other finance costs. Actuarial gains and losses are recognised in the statement of total recognised surpluses and deficits.

**Tangible fixed assets****Housing properties**

The group operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock.

**Notes to the financial statements for the year ended 31 March 2023****Other housing properties**

For housing acquired by the Association to provide a supply of affordable homes on an equity sharing basis, sales proceeds are accounted for in the Statement of comprehensive income account with proceeds recorded in turnover and costs in cost of sales in accordance with SORP. The Association's share of the costs of developing the property are disclosed in tangible fixed assets – housing properties (note 14).

**Investment Properties**

Commercial properties and residential properties for market rent are held at market valuation in the Statement of Financial Position (note 17). The aggregate surplus or deficit arising from any movement in year end valuation is accounted for in the Statement of Comprehensive Income.

**Other fixed assets**

Other fixed assets are stated at cost.

**Housing Association Grant and other grants**

In line with the requirements of the Housing SORP, Housing Association Grant and other grants received as a contribution towards the capital costs of housing properties of the Association are included as 'Creditors: amounts falling due after more than one year' and 'Creditors: amounts falling due within one year' rather than set against the capital cost and are amortised to the Statement of comprehensive income as per the turnover policy above. 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 net proceeds of the sale.

**Depreciation and Impairment****Housing properties**

Housing properties are split between land, structure and major components which require periodic replacement. Replacement or refurbishment of such major components is capitalised and depreciated over the estimated useful life which has been set taking into account professional guidance and the group's asset management strategy. In determining the remaining useful lives for the housing stock, the group has taken account of views provided by both internal and external professional sources.

Freehold land is not subject to depreciation. Depreciation is charged so as to write down the cost or valuation of the freehold housing properties and major components on a straight-line basis over their expected use economic lives.

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, over the following periods:

Main fabric	80 years
Roof structure and coverings	80 years
Windows and external doors	27 years
Heating system boilers	15 years
Kitchens	20 years
Bathrooms	25 years
Mechanical systems (heating, ventilation, plumbing)	27 years
Electrics	40 years
Lift	25 years

Housing assets are depreciated in the month of acquisition, or in the case of a larger project, from the month of completion. Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to operating surplus.

**Notes to the financial statements for the year ended 31 March 2023****3 Summary of significant accounting policies (continued)****Other tangible fixed assets**

Depreciation of other fixed assets is charged on a straight-line basis over the estimated useful economic lives of the assets at the following annual rates:

Freehold buildings	-	2% on cost
Office furniture and fittings	-	10% to 20% on cost
Fixed asset property	-	10% on cost
Motor vehicles	-	25% on cost

**Subsequent additions and major components**

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the group and the cost can be measured reliably. The carrying amount of any replaced component is derecognised.

Repairs, maintenance and minor inspection costs are expensed as incurred.

**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.

**Leased assets**

At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

**Operating leased assets**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of comprehensive income on a straight-line basis over the period of the lease.

**Cash and cash equivalents**

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

**Current asset investments**

Current asset investments are investments in short-term deposits with an original maturity between one and twelve months.

**Investment in subsidiary company**

Investment in a subsidiary company is held at cost less accumulated impairment losses.

**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 (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

**Notes to the financial statements for the year ended 31 March 2023****3 Summary of significant accounting policies (continued)**

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

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of comprehensive 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 comprehensive income and retained earnings.

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

**i) Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligations can be estimated reliably. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

**ii) Contingencies**

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

**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, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in Statement of comprehensive 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 comprehensive income and retained earnings.

**Notes to the financial statements for the year ended 31 March 2023****3 Summary of significant accounting policies (continued)**

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. Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in Statement of comprehensive income and retained earnings, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**ii) Financial liabilities**

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

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

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

**Disposal proceeds fund**

The net surpluses, after loan repayments, that arise from the sale of property to tenants under the voluntary purchase grant arrangements instituted by the Department for Communities can be utilised by the Association (note 10).

If the surpluses are not used within two years of receipt, they may be payable in part or in full to the Department for Communities.

**Restricted fund**

Under the terms of the Supporting People Funding Agreement (Schedule 8, paragraph 4) Supporting People funding must be identified as a Restricted Fund. Income and expenditure relating to Supporting People has been denoted as restricted (note 36). Supporting People reserves, if applicable, are held separately and denoted as Restricted Funds. Any deficit is offset against a general reserve.

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

**4 Critical accounting judgements and estimation uncertainty**

Estimates and judgements made in the process of preparing the Group and Association 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.

**(a) Critical judgement in applying the entity’s accounting policies**

There are no critical judgements in applying the entity’s accounting policies.

**(b) Critical accounting estimates and assumptions**

The Board of Management makes estimates and assumptions concerning the future in the process of preparing the Group and Association financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

*(i) Useful economic lives of housing properties*

The annual depreciation on housing properties is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of housing properties and note 3 for the useful economic lives for each component of housing property.

There are no other critical accounting estimates and assumptions.

**5 Analysis of turnover**

Turnover and results relate to the group’s main activities which are carried out in the United Kingdom. Turnover represents rental and service charge income and residential charges for housing with care, net of voids. It also includes first tranche equity share sales, amortisation of grants, income arising on the lease of a property to a related company, services provided to other Housing Associations and special needs management allowance (interim protection) received for the provision of housing with care.

**6 Operating costs**

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Direct costs	<b>28,283,211</b>	24,000,140	<b>28,951,710</b>	24,661,314
Administrative expenses	<b>6,149,371</b>	5,291,748	<b>5,803,734</b>	5,003,786
	<b>34,432,582</b>	29,291,888	<b>34,755,444</b>	29,665,100

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

**7 Operating surplus**

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
<b>This is stated after charging/(crediting):</b>				
Staff costs (note 8)	9,165,848	8,283,278	9,165,848	8,283,278
Depreciation	10,465,755	10,603,346	10,450,903	10,588,494
Impairment of CDL Shares	-	-	-	0
Amortisation of grant	(7,709,196)	(7,563,422)	(7,709,196)	(7,563,422)
Release of capital grant	(3,859,922)	(1,794,940)	(3,859,922)	(1,794,940)
Auditors' remuneration				
- audit services	32,500	25,804	23,600	17,604
- non-audit services	0	5,300	0	3,300

**8 Employee information**

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
<b>Staff costs</b>				
Wages and salaries	7,445,815	6,747,060	7,445,815	6,747,060
Social security costs	670,959	566,144	670,959	566,144
Other pension costs	1,049,074	970,074	1,049,074	970,074
	<b>9,165,848</b>	<b>8,283,278</b>	<b>9,165,848</b>	<b>8,283,278</b>

	2023	2022	2023	2022
<b>Average monthly number of persons employed during the financial year by activity:</b>				
Administration	162	151	162	151
Scheme co-ordinators and ancillary staff	102	88	102	88
Supported housing	59	64	59	64
	<b>323</b>	<b>303</b>	<b>323</b>	<b>303</b>

**9 Executive team's emoluments**

The remuneration of the executive team of the Association during the year was:

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Aggregate emoluments	868,788	690,051	868,788	690,051
Pension contributions	237,230	174,656	237,230	174,656
	<b>1,106,018</b>	<b>864,707</b>	<b>1,106,018</b>	<b>864,707</b>

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

**9 Executive team's emoluments (continued)**

The emoluments to the highest paid executive team member (currently included within the above table) are as follows:

	<b>Group</b>		<b>Association</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Aggregate emoluments	<b>129,532</b>	105,401	<b>129,532</b>	105,401

The number of executive team members to whom emoluments were paid during the year falls within each of the following bands:

<b>Salary Band:</b>	<b>Group</b>		<b>Association</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
£165,000 - £170,000	<b>0</b>	0	<b>0</b>	0
£160,000 - £165,000	<b>0</b>	0	<b>0</b>	0
£155,000 - £160,000	<b>0</b>	0	<b>0</b>	0
£150,000 - £155,000	<b>0</b>	0	<b>0</b>	0
£145,000 - £150,000	<b>0</b>	0	<b>0</b>	0
£140,000 - £145,000	<b>1</b>	0	<b>1</b>	0
£135,000 - £140,000	<b>0</b>	1	<b>0</b>	1
£130,000 - £135,000	<b>0</b>	0	<b>0</b>	0
£125,000 - £130,000	<b>0</b>	0	<b>0</b>	0
£120,000 - £125,000	<b>0</b>	0	<b>0</b>	0
£115,000 - £120,000	<b>0</b>	0	<b>0</b>	0
£110,000 - £115,000	<b>0</b>	0	<b>0</b>	0
£105,000 - £110,000	<b>0</b>	1	<b>0</b>	1
£100,000 - £105,000	<b>0</b>	0	<b>0</b>	0
£95,000 - £100,000	<b>1</b>	1	<b>1</b>	1
£90,000 - £95,000	<b>4</b>	1	<b>4</b>	1
£85,000 - £90,000	<b>0</b>	1	<b>0</b>	1
£80,000 - £85,000	<b>0</b>	1	<b>0</b>	1
£75,000 - £80,000	<b>0</b>	0	<b>0</b>	0
£70,000 - £75,000	<b>0</b>	0	<b>0</b>	0
£65,000 - £70,000	<b>0</b>	1	<b>0</b>	1
£60,000 - £65,000	<b>0</b>	0	<b>0</b>	0
	<b>6</b>	7	<b>6</b>	7

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

The Board and Committee members were reimbursed for expenses totalling £5,266 during the year (2022: £2,075).

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

**10 Transfer to disposal proceeds fund**

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Proceeds of disposal	3,175,000	1,015,000	3,175,000	1,015,000
Depreciation on properties disposed	(1,328,621)	(391,208)	(1,328,621)	(391,208)
	1,846,379	623,792	1,846,379	623,792
Utilisation of disposal proceeds fund	(1,154,669)	(354,103)	(1,154,669)	(354,103)
	691,710	269,689	691,710	269,689

**11 Interest receivable and similar income**

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Interest receivable	178,855	32,510	178,855	38,329

**12 Interest payable and similar charges**

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Housing property loans	5,547,763	4,746,533	5,547,763	4,746,533
Bank interest and charges	3,566	2,831	3,566	2,831
	5,551,329	4,749,364	5,551,329	4,749,364

**13 Other finance costs**

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Other finance costs arising on pension scheme	26,000	47,000	26,000	47,000

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

14 Tangible fixed assets - housing properties

Group and Association	Social Housing Properties Held for Lettings 2023 £	Social Housing Properties under construction 2023 £	Equity Share Properties Held for Letting 2023 £	Equity Share Properties under Construction 2023 £	Total 2023 £
<b>Cost</b>					
At 1 April 2022	594,336,847	27,678,196	1,745,260	422,789	624,183,092
Additions - Schemes Completed	38,268,636	(38,268,636)	2,290,842	-	2,290,842
Additions - Capitalised Planned Maintenance	2,277,392	-	-	-	2,277,392
Additions - Work in Progress	-	23,742,900	-	671,214	24,414,114
Disposals	(5,020,479)	-	(2,290,661)	-	(7,311,140)
<b>At 31 March 2023</b>	<b>629,862,396</b>	<b>13,152,460</b>	<b>1,745,441</b>	<b>1,094,003</b>	<b>645,854,300</b>
<b>Depreciation</b>					
At 1 April 2022	(80,277,715)	-	(108,595)	-	(80,386,310)
Charge for the year	(8,803,801)	-	(28,769)	-	(8,832,570)
Disposals	856,601	-	21,736	-	878,337
<b>At 31 March 2023</b>	<b>(88,224,915)</b>	<b>-</b>	<b>(115,628)</b>	<b>-</b>	<b>(88,340,543)</b>
<b>Net book value</b>					
<b>At 31 March 2023</b>	<b>541,637,481</b>	<b>13,152,460</b>	<b>1,629,812</b>	<b>1,094,003</b>	<b>557,513,756</b>
<b>At 31 March 2022</b>	<b>514,059,132</b>	<b>27,678,196</b>	<b>1,636,664</b>	<b>422,789</b>	<b>543,796,781</b>
<b>Net book amount comprises:</b>					
<b>Freehold property</b>	<b>390,151,938</b>	<b>13,152,460</b>	<b>238,754</b>	<b>1,094,003</b>	<b>404,637,155</b>
<b>Long leasehold property</b>	<b>151,485,543</b>	<b>-</b>	<b>1,391,058</b>	<b>-</b>	<b>152,876,601</b>
	<b>541,637,481</b>	<b>13,152,460</b>	<b>1,629,812</b>	<b>1,094,003</b>	<b>557,513,756</b>
<b>Net book amount comprises:</b>					
Completed schemes	541,637,481	-	1,629,812	-	543,267,293
Properties under construction	-	13,152,460	-	1,094,003	14,246,463
	<b>541,637,481</b>	<b>13,152,460</b>	<b>1,629,812</b>	<b>1,094,003</b>	<b>557,513,756</b>

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

**15 Tangible fixed assets – Housing Association and other grants**

<b>Group and Association</b>	<b>Social Housing Properties Held for Lettings 2023 £</b>	<b>Social Housing Properties under construction 2023 £</b>	<b>Total 2023 £</b>
<b>Housing Association and other grants</b>			
At 1 April 2022	(359,666,656)	(16,183,318)	(375,849,974)
Additions - Schemes Completed	(22,097,174)	22,097,174	-
Additions - Capitalised Planned Maintenance	(732,374)	-	(732,374)
Additions Work in Progress	-	(14,077,454)	(14,077,454)
Disposals	3,859,922	-	3,859,922
<b>At 31 March 2023</b>	<b>(378,636,282)</b>	<b>(8,163,598)</b>	<b>(386,799,880)</b>
<b>Amortisation</b>			
At 1 April 2022	62,520,202	-	62,520,202
Charge for the year	6,727,038	-	6,727,038
Disposals	(897,918)	-	(897,918)
<b>At 31 March 2023</b>	<b>68,349,322</b>	<b>-</b>	<b>68,349,322</b>
<b>Net book value</b>			
<b>At 31 March 2023 (notes 22/23)</b>	<b>(310,286,960)</b>	<b>(8,163,598)</b>	<b>(318,450,558)</b>
<b>At 31 March 2022 (notes 21/22)</b>	<b>(297,146,454)</b>	<b>(16,183,318)</b>	<b>(313,329,772)</b>

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

## 16 Other tangible fixed assets

Association	Freehold buildings £	Office furniture and equipment £	Motor vehicles £	Total £
At 1 April 2022	2,210,337	2,682,202	0	4,892,539
Additions	33,060	387,899	0	420,959
Disposals	0	0	0	0
<b>At 31 March 2023</b>	<b>2,243,397</b>	<b>3,070,101</b>	<b>0</b>	<b>5,313,498</b>
<b>Depreciation</b>				
At 1 April 2022	1,154,967	1,754,616	0	2,909,583
Charge for year	54,202	259,234	0	313,436
Disposals	0	0	0	0
<b>At 31 March 2023</b>	<b>1,209,169</b>	<b>2,013,850</b>	<b>0</b>	<b>3,223,019</b>
<b>Net book amount</b>				
<b>At 31 March 2023</b>	<b>1,034,228</b>	<b>1,056,251</b>	<b>0</b>	<b>2,090,479</b>
At 1 April 2022	1,055,370	927,586	0	1,982,956

Group other tangible fixed assets include leaseholder improvements of £13,439 (2022 £25,991).

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

17 Investment Property

Association	Commercial/ Private Properties Held for Letting 2023 £	Commercial/ Private Properties under Construction 2023 £	Total 2023 £
<b>Cost or valuation</b>			
At 1 April 2022	14,813,667	2,012,808	16,826,475
Additions - Work in progress	2,141,850	(2,012,808)	129,042
Revaluation gain at 31st March 2023	237,483	-	237,483
Work in Progress	-	364,555	364,555
Disposals	-	-	-
<b>At 31 March 2023</b>	<b>17,193,000</b>	<b>364,555</b>	<b>17,557,555</b>

The valuation of investment properties held for letting was carried out at 31 March 2023 and is based on their market value as at that date. The valuations across the Group were carried out by CBRE Limited, a firm of RICS registered valuers in accordance with Royal Institute of Chartered Surveyors (“RICS”) Valuation – Global Standards and the UK national supplement using qualified chartered surveyors who had sufficient current local and national knowledge of the particular market, and skills and understanding to undertake the valuation competently. Investment properties under construction are valued at cost. The companies have adopted the provisions under section 16.1 and 16.2 of FRS 102 in relation to the revaluation of their investment properties (fair value movements being taken to the Statement of Comprehensive Income). On consolidation of the Group’s housing property values, any unrealised surpluses deriving from inter-group property sales are removed.

18 Investments

Group	2023 £
<b>Cost</b>	
At 1 April 2022	20,085
Additions	-
Disposals	-
<b>At 31 March 2023</b>	<b>20,085</b>

The group owns an investment in share capital in MORHOMES PLC, a company registered in England and Wales. The company’s registered address is the 8<sup>th</sup> Floor, 71 Queen Victoria Street, London, Greater London, EC4V 4AY. The company’s principal activity is financial intermediation.

Association	Total £
<b>Cost</b>	
At 1 April 2022	25,087
Impairment	-
<b>At 31 March 2023</b>	<b>25,087</b>

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

As well as the Group investments listed above the investment represents the Association's holding in wholly owned subsidiary companies, (i) Clanmil Properties Limited, (ii) Milbreen Limited and (iii) Clanmil Developments Limited. The registered addresses of these companies are Northern Whig House, 3 Waring Street, Belfast, BT1 2DX. The principal activities of these companies are (i) the management of commercial property rentals and the provision of services to housing associations and property management companies (ii) dormant company and (iii) the provision of property development services. In addition, we hold 85 shares in management companies in which the association has beneficial interests in properties.

19 Debtors

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Rental Debtors Gross – Technical	1,704,939	1,588,794	1,704,939	1,588,794
Rental Debtors Gross – Non-technical	914,179	852,849	914,179	852,849
Provision for bad debts	(1,476,627)	(1,406,889)	(1,476,627)	(1,406,889)
Net rental (including rates, service charges) debtors	1,142,491	1,034,754	1,142,491	1,034,754
Other Debtors	4,865,668	2,005,853	4,411,013	1,814,312
Prepayments and accrued income	2,798,070	4,072,155	736,564	1,597,315
Housing Association Grant receivable	10,277,289	7,595,434	10,277,289	7,595,434
Amounts owed to related parties	-	-	-	-
Amounts owed by subsidiary undertakings (Note 37)	-	-	298,483	102,667
	19,083,518	14,708,196	16,865,840	12,144,482

Amounts owed by subsidiary undertakings and related undertakings are unsecured, interest free and repayable on demand. Included in other debtors is £796,955 relating to the services equalisation account – this has increased from a debtor of £359,839 in 2022.

20 Current asset - Investments

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Short term deposits – Funds received from DfC – Affordable Homes Loan Funding	0	0	0	0
Short term deposits – Funds received from DfC – Empty Homes Loan Funding	0	191,000	0	191,000
Short term deposits - Other	2,533,466	2,301,940	2,533,466	2,301,940
Total Short term deposits	2,533,466	2,492,940	2,533,466	2,492,940

This represents cash held on deposit with an original maturity between 1 and 12 months. At the balance sheet date the average maturity of the deposits was 3 months. The average interest rate was 1.95% (2022: 0.5%).

The funds received from DfC are being temporarily held pending utilisation in accordance with the terms of the Financial Assistance Agreements.

21 Cash at bank and in hand

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Funds received from DfC – Empty Homes Loan Funding	-	-	-	-
Other cash balances held short term	8,438,217	5,603,203	8,057,075	5,178,982
	8,438,217	5,603,203	8,057,075	5,178,982

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

**22 Creditors: amounts falling due within one year**

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Bank loans (Note 24)	2,227,359	2,227,358	2,227,359	2,227,358
DfC loans (Note 24)	151,153	161,035	151,153	161,035
Other taxes and social security	202,659	204,210	202,659	204,210
Rent, rates and service charges received in advance	844,808	737,996	844,808	737,996
Housing Association Grant in advance	12,196,050	10,458,184	12,196,050	10,458,183
Deferred historic building grant	22,668	22,668	22,668	22,668
Other creditors	7,523,215	7,182,409	6,920,484	6,651,761
Amounts owed to subsidiary undertakings	-	0	78,524	31,879
Services equalisation account - general	199,884	0	199,884	0
Accruals and deferred income	4,583,712	6,116,333	2,678,712	3,724,134
Disposal proceeds fund	623,275	1,154,137	623,275	1,154,137
Housing Association Grant (Note 15)	8,555,967	7,007,292	8,555,967	7,007,292
	<b>37,130,750</b>	<b>35,271,622</b>	<b>34,701,543</b>	<b>32,380,653</b>

Amounts owed to subsidiary undertakings are unsecured, interest free and repayable on demand.

**23 Creditors: amounts falling due after more than one year**

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Bank loans (Note 24)	171,432,903	163,815,341	171,432,903	163,815,341
DfC loans (Note 24)	8,331,175	8,482,329	8,331,175	8,482,329
Disposal proceeds fund	1,847,718	625,146	1,847,718	625,146
Housing Association grants and other grants (Note 15)	309,894,591	306,322,480	309,894,591	306,322,480
	<b>491,506,387</b>	<b>479,245,296</b>	<b>491,506,387</b>	<b>479,245,296</b>

The surplus on the disposal proceeds fund should be used within two years of the sale of the property.

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

**24 Loans**

	<b>Group</b>		<b>Association</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Bank loans - Housing property and other loans</b>				
Less than one year, or on demand (Note 22)	2,227,359	2,227,358	2,227,359	2,227,358
Between one and two years	2,227,359	2,227,358	2,227,359	2,227,358
Between two and five years	16,682,075	41,782,075	16,682,075	41,782,075
After more than five years	152,523,469	119,805,909	152,523,469	119,805,909
	<b>173,660,262</b>	<b>166,042,700</b>	<b>173,660,262</b>	<b>166,042,700</b>

**Security**

The Danske Bank holds a mortgage over related housing properties as security.

First Trust and Ulster Bank loans are secured by way of mortgages upon the deeds of the related housing properties.

The Housing Finance Corporation loans are secured by way of mortgages upon the deeds of the related housing properties.

Senior notes are secured by way of mortgages upon the deeds of the related housing properties.

	<b>Group</b>		<b>Association</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Department for Communities - Housing Property Loans</b>				
Less than one year (Note 22)	151,153	161,035	151,153	161,035
Between one and two years	131,175	151,153	131,175	151,153
Between two and five years	300,000	331,176	300,000	331,176
After more than five years	7,900,000	8,000,000	7,900,000	8,000,000
	<b>8,482,328</b>	<b>8,643,364</b>	<b>8,482,328</b>	<b>8,643,364</b>

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

**25 Financial instruments**

The group has the following financial instruments:

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
<b>Financial assets that are cash instruments measured at amortised cost</b>				
Rental debtor (note 19)	1,142,491	1,034,754	1,142,491	1,034,754
Other debtors (note 19)	4,865,668	2,005,853	4,411,013	1,814,312
Housing association grants - receivable (note 19)	10,277,289	7,595,434	10,277,289	7,595,434
Amounts owed by subsidiary undertakings (note 19)	-	-	298,484	102,667
Amounts owed by related parties (note 19)	-	-	-	-
Accrued income (note 19)	78,523	81,332	-	-
Investments (note 20)	2,533,466	2,492,940	2,533,466	2,492,940
Cash at bank and in hand (note 21)	8,438,217	5,603,203	8,057,075	5,178,982
	<b>27,335,654</b>	<b>18,813,516</b>	<b>26,719,818</b>	<b>18,219,089</b>
<b>Financial liabilities measured at amortised cost</b>				
DfC loans (note 22/23)	8,482,328	8,643,364	8,482,328	8,643,364
Bank loans (note 24)	173,660,262	166,042,700	173,660,262	166,042,700
Amounts owed to subsidiary undertakings (note 22)	-	-	78,524	31,879
Other creditors (note 22)	7,682,540	7,332,749	7,079,809	6,802,101
Accruals (note 22)	4,518,523	4,848,079	2,613,523	2,601,226
	<b>194,343,653</b>	<b>186,866,892</b>	<b>191,914,446</b>	<b>184,121,270</b>

**26 Called up share capital**

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
<b>Ordinary shares of £1 each, fully paid</b>				
At 1 April 2022	10	10	10	10
Transfer	0	0	0	0
Allotted during the year	4	0	4	0
Transfer to reserves	(3)	0	(3)	0
<b>At 31 March 2023</b>	<b>11</b>	<b>10</b>	<b>11</b>	<b>10</b>

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

**27 Net cash inflow from operating activities - Group**

	2023 £	2022 £
<b>Surplus on ordinary activities</b>	<b>7,815,186</b>	<b>8,361,602</b>
(Surplus)/deficit arising from disposals of other fixed assets	0	0
Surplus arising from disposals of housing property	(1,954,050)	(626,868)
Transfer to disposal proceeds fund	1,846,379	623,793
Interest receivable and similar income	(178,855)	(32,510)
Interest payable and similar charges	5,551,329	4,749,364
Other finance costs	26,000	47,000
<b>Operating surplus</b>	<b>13,105,989</b>	<b>13,122,381</b>
Movement in service charges equalisation account	519,661	(634,474)
Depreciation charge	10,465,755	10,589,894
Amortisation charge	(7,709,196)	(7,563,422)
Release of capital grant	(3,859,922)	(1,794,940)
Movement in debtors	(1,506,308)	64,186
Movement in creditors	542,554	(4,029,177)
<b>Net cash inflow from operating activities</b>	<b>11,558,533</b>	<b>9,754,448</b>

**28 Analysis of net debt**

	At 1 April 2022 £	Cash flow £	At 31 March 2023 £
Cash at bank and in hand	5,603,203	2,835,014	8,438,217
Short term investments	2,492,940	40,526	2,533,466
Cash and cash equivalents	8,096,143	2,875,540	10,971,683
Debt due after one year	(172,297,670)	(7,466,408)	(179,764,078)
Debt due within one year	(2,388,393)	9,881	(2,378,512)
	(166,589,920)	(4,580,987)	(171,170,907)

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

**29 Reconciliation of net cash flow to movement in net debt**

	2023 £	2022 £
(Decrease) / increase in cash and cash equivalents and in financial year	2,875,540	(3,357,773)
Repayment of loans	32,543,473	140,459,405
New loans	(40,000,000)	(145,331,132)
<b>Movement in net debt in the financial year</b>	<b>(4,580,987)</b>	<b>(8,229,500)</b>
Net debt at 1 April	(166,589,920)	(158,360,420)
<b>Net debt at 31 March</b>	<b>(171,170,907)</b>	<b>(166,589,920)</b>

**30 Turnover, operating costs and operating surplus - Association**

Turnover, operating costs and operating surplus	2023			2022
	Operating Turnover £	Operating Costs £	Operating Surplus £	Operating Surplus £
Social Housing Activities	43,535,833	31,864,506	11,671,327	11,471,034
Non-Social Housing Activities	4,265,506	2,879,938	1,385,568	1,541,024
<b>Total</b>	<b>47,801,339</b>	<b>34,744,444</b>	<b>13,056,895</b>	<b>13,012,058</b>

**31 Housing Stock – Association**

Number of units owned on 31 March	2023	2022
<b>Self-contained</b>		
General needs housing	3,767	3,627
Supported Housing (including housing with care)	122	122
Sheltered Housing	1,624	1,588
Shared Ownership/Affordable Housing	203	193
	<b>5,716</b>	<b>5,530</b>
<b>Non Self-contained</b>		
Supported	135	135
<b>Total Units Owned</b>	<b>5,851</b>	<b>5,665</b>
<b>Number of units managed (but not owned) on 31 March</b>		
<b>Self-contained</b>		
General needs	0	0
<b>Total Units Owned and Managed</b>	<b>5,851</b>	<b>5,665</b>

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

32 Turnover, operating costs and operating surplus or deficit from social and non-social housing activities – Association

	2023					2022	
	General Needs Housing	Independent Living and Elderly	Residential Care Homes	Supported Housing	Total Social Housing	Other Income	Total
	£	£	£	£	£	£	£
<b>Turnover, operating costs and operating surplus or deficit from social housing activities</b>							
<i>Income from Social Housing Lettings</i>							
Rent Receivable net of service charges	23,449,364	6,760,473	1,421,721	527,870	32,159,428	1,122,707	33,282,135
Service charges receivable	1,313,620	3,025,716	0	440,364	4,779,700	1	4,779,701
Supporting People, Covid 19 Handship Funding *	0	(683)	0	0	(683)	0	(683)
First tranche equity share / outright sales	0	0	0	0	0	2,697,502	2,697,502
Other	474	11,137	57,874	299	69,784	496,320	566,104
Income from SHG/HAG	5,730,687	1,392,862	6,380	156,679	7,286,808	0	7,286,808
Income from other Grants (SNMA)	0	0	99,328	0	99,328	0	99,328
Income from other grants (TBUC)	101,035	0	0	0	101,035	0	101,035
Less voids	(317,445)	(210,025)	(70,438)	(361,639)	(959,567)	(51,024)	(1,391,705)
<b>Net Income from rents and service charges</b>	<b>30,277,735</b>	<b>10,979,480</b>	<b>1,515,045</b>	<b>763,573</b>	<b>43,535,833</b>	<b>4,265,506</b>	<b>47,801,339</b>
<i>Operating Costs</i>							
Services	1,512,691	2,331,467	505,370	329,365	4,678,893	(618)	4,678,275
Supporting People Costs	0	679,492	0	37,292	716,784	0	716,784
Care Costs	0	0	767,793	0	767,793	0	767,793
Management Costs	3,214,757	1,165,631	288,350	144,346	4,813,084	154,988	4,968,072
Maintenance Administration Costs	1,404,725	605,594	0	80,547	2,090,864	30,494	2,121,358
Planned and cyclical maintenance	1,114,027	1,179,285	0	105,699	2,399,011	24,985	2,423,996
Reactive maintenance	2,403,967	915,671	90,366	106,256	3,516,260	137,808	3,654,068
Major repairs	0	0	0	0	0	0	0
Depreciation of housing properties	7,416,518	1,562,925	8,819	159,826	9,148,088	42,963	9,191,051
Bad Debts (rent and service charges)	189,913	59,891	(4,426)	10,371	255,749	41,434	297,183
Rates Payable	2,533,760	688,860	0	10,980	3,233,600	128,858	3,362,458
Other Costs	266,962	132,377	0	(154,959)	244,380	2,330,026	2,574,406
<b>Total Operating Costs</b>	<b>20,087,318</b>	<b>9,321,193</b>	<b>1,656,272</b>	<b>829,773</b>	<b>31,864,506</b>	<b>2,890,938</b>	<b>34,755,444</b>
<b>Operating Surplus / (Deficit)</b>	<b>10,220,417</b>	<b>1,658,287</b>	<b>(141,227)</b>	<b>(66,150)</b>	<b>11,671,327</b>	<b>1,374,568</b>	<b>13,045,895</b>

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

**32 Turnover, operating costs and operating surplus or deficit from social and non-social housing activities – Association (continued)**

	Association	
	2023	2022
	£	£
DSD Allowances - General Needs		
<b>Management Allowances</b>	<b>2,511,936</b>	<b>2,373,347</b>
Management Costs	(4,813,084)	(3,813,207)
<b>Surplus / Deficit</b>	<b>(2,301,148)</b>	<b>(1,439,860)</b>
<b>Maintenance Allowances</b>	<b>1,939,320</b>	<b>1,890,208</b>
Planned and cyclical maintenance	(1,114,027)	(1,021,988)
Reactive maintenance	(2,403,967)	(2,257,572)
<b>Surplus / Deficit</b>	<b>(1,578,674)</b>	<b>(1,389,352)</b>
<b>Gross Income from Rents and service charges</b>		
Technical	26,966,630	24,889,854
Non Technical	10,041,599	9,679,241
<b>Total</b>	<b>37,008,229</b>	<b>34,569,095</b>

Note that the Association operates a rent pooling policy. This can impact on the assessment of surplus or deficit arising from a particular type of housing activity.

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

33 Pension commitments

The Association participates in the defined benefit section of the Social Housing Pension Scheme (SHPS). The Association offers a hybrid arrangement where employees can join the Career Average Revalued Earnings (CARE) structure with a 1/120th accrual rate, as well as receiving contributions from the Association to the defined contribution section of SHPS.

SHPS is a UK registered trust-based pension scheme. SHPS is a multi-employer scheme with around 400 non-associated employers. SHPS is classified as a ‘last-man standing arrangement’. Therefore, the Association is potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from SHPS.

Verity Trustees are responsible for running SHPS in accordance with the Trust Deed and Rules, which sets out their powers. The Trustee of the SHPS is required to act in the best interests of the beneficiaries.

The Trustee is required to carry out an actuarial valuation every 3 years. The last triennial actuarial valuation of SHPS for funding purposes was carried out as at 30 September 2020. This valuation revealed a total scheme deficit of £1,560m. A recovery plan has been put in place with each employer paying contributions with the aim of removing this deficit by 31 March 2028. The Association expects to pay £314k towards the funding deficit in SHPS during the accounting year beginning 1 April 2023. The Association’s share of expenses in relation to running SHPS are paid in addition. The next actuarial valuation as at 30 September 2023, is due in September 2024.

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme’s benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2024 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. The Association’s potential share is estimated at £265k. We note that this estimate has been calculated as at 30 September 2022 on the Scheme’s Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

Pension costs for accounting purposes have been calculated using assumptions consistent and appropriate with FRS 102.

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	31 March 2023	31 March 2022
	(£000s)	(£000s)
Fair value of plan assets	6,114	9,701
Present value of defined benefit obligation	(7,521)	(10,837)
Surplus (deficit) in plan	(1,407)	(1,136)
<b>Defined benefit asset (liability) to be recognised</b>	<b>(1,407)</b>	<b>(1,136)</b>

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

**33 Pension commitments (continued)**

**Reconciliation of opening and closing balances of the defined benefit obligation**

	<b>Period ended 31 March 2023 (£000s)</b>
Defined benefit obligation at start of period	10,837
Current service cost	316
Expenses	11
Interest expense	305
Member contributions	14
Actuarial losses (gains) due to scheme experience	174
Actuarial losses (gains) due to changes in demographic assumptions	(29)
Actuarial losses (gains) due to changes in financial assumptions	(3,881)
Benefits paid and expenses	(226)
Defined benefit obligation at end of period	<b>7,521</b>

**Reconciliation of opening and closing balances of the fair value of plan assets**

	<b>Period from 31 March 2022 to 31 March 2023 (£000s)</b>
Fair value of plan assets at start of period	9,701
Interest income	279
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(4,386)
Employer contributions	732
Member contributions	14
Benefits paid and expenses	(226)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	<b>6,114</b>

The actual return on plan assets (including any changes in share of assets) over the period ended 31 March 2023 was (£4,107,000).

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

**33 Pension commitments (continued)**

**Defined benefit costs recognised in statement of comprehensive income (SOCl)**

	<b>Period from 31 March 2022 to 31 March 2023 (£000s)</b>
Current service cost	316
Expenses	11
Net interest expense	26
<b>Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)</b>	<b>353</b>

**Defined benefit costs recognised in other comprehensive income**

	<b>Period ended 31 March 2023 (£000s)</b>
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(4,386)
Experience gains and losses arising on the plan liabilities - gain (loss)	(174)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	29
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	3,881
<b>Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)</b>	<b>(650)</b>
<b>Total amount recognised in Other Comprehensive Income - gain (loss)</b>	<b>(650)</b>

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

33 Pension commitments (continued)

	31 March 2023	31 March 2022
Assets	(£000s)	(£000s)
Global Equity	114	1,862
Absolute Return	66	389
Distressed Opportunities	185	347
Credit Relative Value	231	322
Alternative Risk Premia	11	320
Fund of Hedge Funds	-	-
Emerging Markets Debt	33	282
Risk Sharing	450	319
Insurance-Linked Securities	154	226
Property	263	262
Infrastructure	698	691
Private Debt	272	249
Opportunistic Illiquid Credit	262	326
High Yield	21	84
Opportunistic Credit	-	35
Cash	44	33
Corporate Bond Fund	-	647
Liquid Credit	-	-
Long Lease Property	185	250
Secured Income	281	361
Liability Driven Investment	2,816	2,707
Currency Hedging	12	(38)
Net Current Assets	16	27
<b>Total assets</b>	<b>6,114</b>	<b>9,701</b>

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key Assumptions

	31 March 2023	31 March 2022
	% per annum	% per annum
Discount Rate	4.80%	2.80%
Inflation (RPI)	3.10%	3.50%
Inflation (CPI)	2.90%	3.10%
Salary Growth	3.90%	4.10%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2023	20.7
Female retiring in 2023	23.1
Male retiring in 2043	21.9
Female retiring in 2043	24.5

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

**34 Contingent liabilities**

The Association released Housing Association Grant (net of amortisation) of £435,816 during the year in relation to building components replaced arising from planned maintenance works. The accumulated position of total Housing Association Grant released at 31 March 2023 is £6,502,118. The accumulated amount of Housing Association Grant amortised and recognised as income as at 31 March 2023 is £68,349,322. The possibility of any reimbursement to the Department for Communities is considered to be unlikely as the housing properties are expected to continue to be made available for social housing for the foreseeable future.

**35 Capital commitments - Housing Properties – Association**

	2023 £	2022 £
<b>Capital expenditure</b>		
Contracted for but not provided in the financial statements	45,443,087	36,942,928

The Association anticipates that this expenditure will be funded by Housing Association Grant from the Department for Communities and by private finance, both external and internal.

**36 Restricted fund – Supporting People**

	Total £
Income relating to Supporting People Funding	488,767
Expenditure relating to Supporting People Funding	(522,023)
<b>At 31 March 2023</b>	<b>(33,256)</b>

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

**37 Related party disclosures**

Details of the subsidiaries are disclosed in Note 18. The balances with the subsidiaries at the year-end were as follows:

	2023	2022
	£	£
<b>Amounts owed by subsidiary undertakings (note 19)</b>		
Clanmil Properties Limited	252,141	102,667
Clanmil Developments Limited	46,342	0

	2023	2022
	£	£
<b>Amounts owed to subsidiary undertakings (note 22)</b>		
Clanmil Properties Limited	4,500	44,127
Clanmil Developments Limited	74,024	31,879

Transactions between these related parties during the year were as follows:

	2022	2022
	£	£

<b>Clanmil Properties Limited</b>		
Rent charge from Clanmil Housing Association Limited to Clanmil Properties Limited	130,073	119,843
Management and administration charge from Clanmil Housing Association Limited to Clanmil Properties Limited	121,825	85,987
Contribution from Clanmil Properties Limited to Clanmil Housing Association Limited in respect of the insurance of Northern Whig House	1,792	1,792
Gift aid donation from Clanmil Properties Limited to Clanmil Housing Association Limited	30,479	22,676
Rent and service charges from Clanmil Properties Limited to Clanmil Housing Association Limited	119,953	127,233
<b>Clanmil Developments Limited</b>		
Management and administration charge from Clanmil Housing Association Limited to Clanmil Developments Limited	24,794	24,794
Development projects charge from Clanmil Housing Association Limited to Clanmil Developments Limited	119,119	187,187
Charge from Clanmil Developments Limited to Clanmil Housing Association Limited for the provision of property development services	6,010,173	6,400,225
Loan interest charged by Clanmil Housing Association Limited to Clanmil Developments Limited	0	5,819
Gift aid donation from Clanmil Developments Limited to Clanmil Housing Association Limited	46,342	0

**Clanmil Housing Association Limited**

Northern Ireland - Charity number 103840

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# Annual report

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

The Board present their strategic report and the audited financial statements for the year ended 31 March 2023 of Clanmil Housing Association Limited (the “Association”) and its subsidiaries (the “Group”).

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

### Gender analysis

The Executive Team of the Association comprises 3 females and 3 males at year end. The Group had 327 employees on the 31 March 2023, both part and full time, of which 97 are male and 230 are female.

### Status

Clanmil Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP000136) and is a Registered Housing Association.

The Association is a registered charity with HMRC (Charity No. XR 43042).

The Association is registered with the Charity Commission for Northern Ireland (Registration No. NIC103840)

### Group structure

Clanmil Housing Association Limited provides social and affordable housing in Northern Ireland and is the controlling member of the Group. Clanmil Developments Limited provides property development services to assist Clanmil Housing Association in delivering its social housing development programme. Clanmil Properties Limited manages commercial property rentals and provides services to property management companies and other Housing Associations/Organisations. Milbreen Limited is currently dormant but intends to develop housing for sale.

Refer to note 18 for details of Clanmil Housing Association Limited investments in subsidiary undertakings.

### Principal activities

The Group provides over 5,800 high quality homes for rent throughout Northern Ireland and helps facilitate home ownership for people who cannot afford to purchase a home outright through its shared equity product.

Our homes are allocated to people from the housing selection scheme managed by the Northern Ireland Housing Executive.

A wide range of people live in our homes. All share a need for a good quality home, and to be part of a sustainable community where they can live well, flourish and thrive. We offer a wide range of high quality housing and services including:

- homes for families and single people;
- housing and support for older people;
- supported housing for older people with dementia and for people with learning disabilities and mental ill-health;
- hostels providing temporary refuge for women and their children escaping domestic violence;
- houses for Irish Travellers; and
- supported housing for young people leaving care.

Our equity share, part-buy, part-rent scheme makes homeownership achievable for people who cannot afford to purchase a home outright. It allows first time buyers to purchase a share in a home and pay rent on the remaining share, with an option to buy the remainder at a time that suits them.

## Strategic report of the Board for the year ended 31 March 2023 (cont'd)

### Shaping our Future Strategy 2026

In April 2021 we launched our new Strategy, Shaping our Future and we began our shaping our future journey set out in a bold five year strategic plan. This plan was co-designed by colleagues, customers and stakeholders, and is both challenging and ambitious and provides, we believe, focus for us all, whilst reinforcing the importance of genuine partnerships that help our customers thrive and flourish within sustainable communities.

Alongside our strategy, we reviewed and clarified our purpose and values that guide us at Clanmil. We are here to provide homes for people to live well and we also spent time this year as an organisation connecting with this purpose and our refreshed values, to ensure that they are at the heart of all that we do and are truly lived by everyone throughout Clanmil. Together we want to:



#### Leave a positive experience

- > We believe there's always an opportunity to leave a positive lasting impression if you show compassion and demonstrate you care
- > We see the person, not the problem
- > Whilst we know that sometimes we might have to have a tough conversation or make a hard decision, we will always act with honesty, fairness and respect regardless of the circumstances
- > We are a people business, so trust and great relationships are crucial



#### Believe in better

- > With a world of opportunity and a head full of possibility, we have a shared ambition to do more
- > We challenge ourselves, each other, what we do and the world around us to not just settle but improve and strive for better
- > We remain curious about what could be, embracing change whilst never losing sight of what we believe in
- > We are a force for good, so we're confident to stand up and be counted



#### Achieve together

- > Together we are stronger, it's as simple as that
- > By working as one with colleagues, customers and communities we can make real change happen, overcome challenges and move things forward with great energy
- > We all see the world differently, and we might not always agree. We embrace that
- > We celebrate our diversity and the benefit that brings as we know that with unity comes strength

The five key aims of our new Strategy are:



#### Build and maintain quality homes whilst preserving the environment

Having the right place to call home is an essential part of being able to live well. With that in mind we want to play a leading role in tackling the housing crisis in Northern Ireland. We want to strengthen existing communities and help to create new ones through the development of new sustainable homes that are built for the future. The homes we build will be well maintained, safe and energy efficient. Climate change is the challenge of a generation so we must play our part in reducing our carbon footprint. We aim to:

- Build and develop up to 1,400 well designed, energy efficient, mixed-tenure homes in the next five years.
- Target the design and delivery of new homes in both urban and rural areas with the greatest housing need.
- Be innovative in our delivery and adopt all affordable delivery options, including modern methods of construction, to minimise our carbon footprint.
- Invest in actively managing our assets, making them safe and attractive places to live.
- Subsidise our core activity by diversifying our approach, capitalising on new opportunities for growth through initiatives such as the empty and affordable homes schemes.



#### Provide services that make life easier for our customers

We want our customers to sustain their tenancies for as long as they choose. It's important that we remain responsive to changing customer needs and that we make life easier for them by making it easy to do business with us. We need to build and maintain healthy, trusting and respectful relationships with our customers, so they are empowered to help shape the standard of services we provide. We will:

- Create services that provide a great customer experience, being clear about what we offer and how we work to support diverse customer needs.
- Build trusting relationships by getting to know our customers, their communities and listening to their individual needs.
- Working in partnership with other service providers, create an environment where stable communities can thrive and customers are empowered to make informed decisions that are right for them.
- Create more opportunities for regular and robust customer feedback to generate quality insights that will help us to continually enhance our services.
- Develop an excellent multi-channel approach to serving our customers, giving customers a real choice in how they want to talk to us.

## Strategic report of the Board for the year ended 31 March 2023 (cont'd)



### **Create a brilliant and sustainable organisation, fit for the future**

In a world of digital, environmental and social disruption we must be ready to change and adapt to fulfil our purpose, and as a business we're only as good as our people and that's why we want to create a great place to work. We realise that to achieve our ambitions we must have financial strength and operational efficiency, and that we have to manage our business to the highest standards. This will come through robust financial management and systems, as well as seeking to potentially generate additional revenue that we can re-invest for the benefit of our customers. We seek to:

- Review our organisational design and capability to ensure we have the right people and expertise to deliver our strategy, managing and communicating change well.
- Strengthen our employer brand and offer to retain great people and attract diverse new talent.
- Lead with our new values and create the right culture where people can deliver their best work.
- We will create more opportunities for colleagues to contribute, feel empowered, supported in personal and professional development and have their voices heard.
- Deliver organisational efficiency and operational excellence by maximising the benefits of new and existing technologies to improve our end-to-end processes.
- Optimise our financial group structure and identify opportunities for future growth through partnership or innovation, launching new effective services for our customers and communities.



### **Be a respected voice to grow our impact**

We believe that everyone has the right to a quality home and the opportunity to live in a safe and supportive community, that's why we will stand up and be heard when it comes to social housing. We want people to understand the importance of the sector and we want to add our voice to future housing policy so that we can ensure the issues that really impact on people's lives are addressed. We will promote a positive view of Clanmil, both locally and regionally, to create both interest and demand in partnering with us or in becoming a customer. This will be achieved by:

- Creating strong, trusted and productive relationships with new and existing stakeholders.
- Initiating change, influence policy and be leaders within the housing sector to deliver our purpose.
- Powerfully communicating our new strategy and brand so people understand who we are, what we do and how we add value to people's lives.
- Using the right communication channels to effectively engage our audiences and maximise our impact, sharing our successes beyond the housing sector.
- Cultivating new partnerships with service providers that are beneficial in helping our customers to live well, whilst also addressing future societal challenges.



### **Reach, connect and collaborate to strengthen communities**

We know that some communities do not get the chance to thrive. We believe there are more ways in which we can support people and their communities beyond simply providing them with a home. We want to help make this a more shared place and we know that shared communities have a lasting positive impact on people's lives. We appreciate the value in developing great partnerships and we understand the importance of these in supporting our customers. We want to maximise these partnerships so that customers know where to look for guidance, help and expertise. We aim to:

- Focus our resources on the people who need most support, working closely with expert partners to deliver more services that communities need.
- Commission a review of existing community development activity to identify the biggest challenges and opportunities; determining whether we lead, leave, collaborate or delegate.
- Contribute to building stable communities by supporting people to live well and keep their homes. We will achieve this through financial inclusion services, creating opportunities and by exploring new ways of tackling isolation in a post-COVID world.
- Support our existing shared communities and deliver at least five more shared schemes that are welcoming to all and give people the choice of living alongside neighbours from many backgrounds and traditions.

## Strategic report of the Board for the year ended 31 March 2023 (cont'd)

- Raise environmental awareness by nurturing a community culture that values the environment, community landscapes and energy efficiency.

### Our Performance

For the core business areas the Board has set a number of key performance indicators - these include rent arrears, voids, customer satisfaction, growth, maintenance repair times, staff turnover and financial stability.

Our performance is also assessed through a number of statutory inspection regimes, and we are committed to continuing to achieve the highest standards.

The financial year to 31 March 2023 was impacted by cost of living crisis and economic turmoil arising from the Russian invasion of Ukraine. We experienced an increase in repairs as we begin to catch up after the delays caused by COVID, but also experienced significant increases in repair costs and in common with our customers, energy costs and financing costs.

We assess our performance by how satisfied our customers are with the homes and services we provide. We regularly seek feedback from the people who live in our homes on everything from repairs to neighbourhoods.

For the financial year ending 2022/23, following an independent survey,

- **67.9%** of our tenants were satisfied with our overall service;
- **75.6%** were satisfied with the quality of their home; and
- **74.3%** were satisfied with their neighbourhood as a place to live.

While this shows some improvement on last year, we are committed to high performance and will work to improve levels of customer satisfaction further.

The Group continues to grow and efficiency savings are reinvested where appropriate to improve existing services, deliver additional services, maintain and improve condition and value of our homes as well as the delivery of new homes. .

We strive to operate efficiently and effectively, and outputs are monitored by the Board of Management who receive performance reports covering a variety of financial and non-financial performance information.

In challenging operating conditions, the Association has achieved the following performance against its key targets:

Performance Indicator	Actual 2022/23	Target 2022/23	Comment
Gearing ratio	28%	45%	Gearing is now calculated in line with new loan covenants as debt as a per centage of gross book value of property. The Group was fully compliant with loan covenants during the year.
Interest cover	2.3 times	1.25 times	Better performance than target. The Group was fully compliant with interest cover covenants during the year.
Operating margin	27.3%	24.6%	Lower than anticipated staff costs and better than expected rental income have more than offset increased maintenance costs
Housing schemes total arrears*	5.6%	5.1%	Performance impacted by cost of living crisis and impact on our customers as well as court delays, in pursuing judgements.
Social Housing voids	2.6%	2.6%	Performance improved on 2021/22 out turn of 3.9%, work now focussed on key properties
Response maintenance repairs completed within timescale	84.6%	92%	Performance below target but an improvement on 21/22 performance of 73.4%, a renewed focus is being placed on triaging repairs calls given that 60% are deemed high priority
Tenant satisfaction	67.9%	88%	Whilst this reflects an improvement on 21/22 out turn of 63.4%, this remains a key area of focus

\*This is an internal key performance indicator excluding rates charged and collected on behalf of Land & Property Services

## Strategic report of the Board for the year ended 31 March 2023 (cont'd)

The management of financial resources is critical to the Group's ability to meet its objectives. Whilst the registered Housing Association has voluntary non-profit making status, the generation of an annual surplus is vital to ensure the ongoing investment in our existing homes as well as the delivery of new homes to play our part in alleviating the housing crisis in Northern Ireland as well as providing for longer term maintenance obligations, to meet the commitments to lenders, and to generally ensure adequate protection against unforeseen circumstances.

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

- 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;
- Professional and dedicated staff who are committed to the Group's objectives; and
- A proven ability to play its part in the delivery of the social housing development programme.

### Colleagues

Our success is due to the commitment and professionalism of the people who work at Clanmil. Our teams worked incredibly hard in difficult circumstances this year to share and promote our values ensuring that our customers remain at the heart of everything we do.

The Group's total staff costs increased from £8.3 million in 2021/22 to £9.2 million in 2022/23. As a percentage of turnover staffing costs fell slightly from 19.5% in 2021/22 to 19.3% in 2022/23. Sickness absence levels reduced from 4.9% in 2021/22 to 4.5% in 2022/23, Labour turnover decreased from 23% in 2021/22 to 17% in 2022/23.

### Value for Money (VfM)

Achieving value for money remains a key business objective. Our aim is to utilise our assets and resources as much as possible to meet the needs of existing and future customers.

To do this we continue to work collaboratively across Clanmil, harnessing the innovation and creativity of our people, our customers and stakeholders to deliver improvements through efficiency, effectiveness and economy.

Through effective procurement activity over the year, we achieved the following efficiencies:

- 20 Quotation exercises, ensuring we received the best VfM with regards to approximately £250,000 spend (under £30,000 value each)
- 24 Contracts were tendered for Services to be delivered, with a total pre-tender estimate of £3,517,510. The accepted tender costs were £3,145,074 which is a saving of £372,436 on the pre-tender estimate.
- 4 Contracts were tendered for works, with a total pre-tender estimate of £ 4,572,600. The accepted tender costs of these procurements were £4,522,463 which is a saving of £50,136.

Of these 28 contracts over the £30,000 threshold, the total savings equate to £422,572. In addition we undertook 20 individual quotation exercises (under £30,000 each), which ensured we achieved best value for money with regards to a further £250,000 of spend.

Through positive social impact we:

- Assisted 1,171 customers with money advice
- Helped them secure £3.0m in additional benefits, £1.5m of which assistants to pay their rent
- Supported 174 customers to furnish their homes by accessing discretionary support grants/charities with an average award of £1,510 each
- Worked with contractors to secure £7k for Social Value projects

We will continue to integrate Value for Money into our culture as a matter of course, with value defined from the perspective of our customers and the services we deliver.

## Strategic report of the Board for the year ended 31 March 2023 (cont'd)

### Delivering more social housing with less financial support from the taxpayer

During the year we increased the number of homes under management by 3.2% and have made progress on our plans to deliver 1,400 new homes by 2026 through the development of additional homes for social, market rental, affordable equity share homes and by bringing empty homes back into use across a range of tenures. Construction delays due to material shortages and planning, have impacted both costs and construction timelines but the Development team continue to manage contracts robustly in challenging circumstances. 305 new properties were handed over in the year with a further 357 properties at various stages of development at 31 March 2023.

To achieve those targets, we plan to make our assets work harder, through increasing our gearing (which remains within the covenants granted by the lending institutions that have supported us), focusing on driving improvement on voids, developing complementary income streams and improving operational efficiency. We successfully launched a private placement for £100m in September 2022 complementing the renegotiation of £150m of existing borrowing facilities at more favourable rates in 2021/22. We have £40 million of agreed undrawn loan facilities available to assist in funding our growth strategy and meeting ongoing commitments.

We have generated modest surpluses from diversification into housing related activities. The purpose of the diversification is to provide surpluses to continue to subsidise new affordable housing. These diversified activities, albeit on a relatively small scale, are successfully operating in the market rental sector, commercial retail units and Management Agent services .

### Providing good quality and efficient services to tenants

Keeping our customers' homes safe, secure and comfortable is our priority and during the year after the tragic news from Rochdale, we began a review of all damp and mould cases reported to us over the past two years to ensure they have been resolved or are currently being addressed. Ongoing issues were identified in 4.5% of our homes and our colleagues are working hard with customers to find solutions.

This has reinforced the need for us to listen to, learn from and act on what customers tell us, and in December 2022 we launched our first Customer Strategy, setting out how we will move forward alongside customers to provide the homes and services they need. The strategy was co-designed with our customers and is a statement of our intent to refresh our customer relationships and embed a truly customer centric culture throughout Clanmil. The Customer Council, which comprises eight customers from across Clanmil's homes; provides a channel for engagement between our customers and both senior management and Board Members on a range of issues affecting customers. Four customers from the Customer Council attended the annual Board away day on 9 February 2023, to consider the implementation of the Customer Strategy, including customer priorities and engagement approaches. The Council is supported by seven local engagement fora across Northern Ireland. Customers also contribute to the Health Safety and Well Being forum, a readers panel which helps make policies and publications more customer friendly and as part of the Service Improvement Panel are currently scrutinising our grounds maintenance services. We would like to thank the customers who have been involved so far and have given their time to work with us and help us improve. It really is appreciated.

The completion of phase 1 of our Customer Services Centre is helping us handle customer calls expediently and deal more responsively with queries. We have also continued to develop our Clanmil Connect customer service portal, launched last year, and over 1,500 customers are now registered and using this self-service option. In March 2023 we launched a Clanmil Connect app to further improve accessibility for customers. Also, during the year we introduced a new Digital Strategy that focuses on equipping Clanmil colleagues with digital tools to work better and smarter and on designing and upgrading homes for a digital future.

### Investing in our communities

Clanmil is committed to improving community cohesion and good relations by increasing the number of Shared Neighbourhoods across Northern Ireland. During the year we continued to deliver Good Relations Projects to strengthen relationships between our Customers and Communities within a five-mile radius in our current 9 Shared Neighbourhoods in Banbridge, Belfast, Cookstown, Crossgar, Crumlin, Downpatrick, Glenwhirry, Newtownabbey and Newcastle. The Cohesion team are currently working hard to promote a further two schemes in Antim and Carrickfergus.

### Other value for money considerations

The Association has maintained an operating margin of 27% which can be partly attributed to effective procurement and increased income in the year. We continue to avail of the benchmarking provided by Housemark, which enables us to better understand our costs and quality of service provision, leading to better informed decision making.

## Strategic report of the Board for the year ended 31 March 2023 (cont'd)

### Environment

We also continue to implement our Environmental Strategy – a road map for how we will progress the decarbonisation of our existing homes and the design and construction of new homes to the highest possible environmental standard. A key focus of this strategy is ensuring our customers live in homes that are efficient to run.

Currently 98.5% of our stock meet Decent Homes standard. we are working to improve levels of thermal comfort. As a result 85% of our homes are already at EPC rating C with plans to move the remainder (where possible) to EPC rating C by 2030.

We are building our new homes on a fabric first approach and to achieve EPC rating B and we are taking forward a pilot scheme during 2022/23 to design and construct to EPC rating A as well as exploring what will be required to design and construct our homes to the carbon neutral nZEB standard.

### For the year ahead 2023/24

Our year ahead will again focus on engaging with our customers in the face of the unprecedented economic challenges they will face. We will continue on our digital journey maximising the efficiencies we can achieve in the delivery of high quality services. We will also examine opportunities for additional funding to support our continuing development programme to deliver new homes so Clanmil can play its part in alleviating the housing crisis in Northern Ireland given the high number of applicants on the waiting list for a social home.

### Risk Management

Responsibility for the identification of risks is clearly defined and operates through a rolling risk assessment process. Key risks facing the Group are considered by the Board of Management at each meeting and the Board has adopted a risk-aware strategic approach - and reviewed its risk appetite statement in the year to ensure continued focus on the management of risk as it drives forward the delivery of its strategic ambitions.

Performance in the sector is generally affected by government policies and changing legislation, the impact of the regulatory regime, changes in demographic, political or economic conditions or environmental risks. Some of the major factors which may affect the Group over the next year are:

- Political and economic uncertainty caused by events in Europe and more locally the formation of an Executive in Northern Ireland and inflationary impact on our customers.
- Cyber and data security;
- Regulation changes related to the environment and climate change on existing as well as new properties;
- Impact of Brexit / NI Protocol on supply and cost of materials and skills;
- The impact of welfare reform;
- Development risks resulting from timely issue of planning approvals, availability of land and water and sewage infrastructure and property values;
- Regulation changes that could impact the health and safety obligations within our operating environment;
- Limits on Supporting People and other revenue funding;
- Increasing customer demands/expectations including the need to deal with anti-social behaviour.

Measures are in place to manage these risks and the review and implementation of further mitigating actions is regularly monitored by the Board.

### Performance in the year ended 31 March 2023

Overall the number of properties increased (305 new homes handed over including 79 already in stock, being held for redevelopment, a loss of 28 homes via the right to buy house sales scheme alongside 12 shared ownership homes, where customers purchased the remaining equity in their homes) by 186 to 5,851 (note 31).

The Association's annual review of rental charges at April 2022 resulted in a 3.9% increase in the majority of rents.

There were 357 units under development by the Group at 31 March 2023.

£29.5 million was spent on housing properties additions and component replacement during the year (notes 14 and 17) partially funded by Housing Association Grant of £14.8 million (note 15).

## Strategic report of the Board for the year ended 31 March 2023 (cont'd)

Turnover for the Group increased by 12.1% from £42.4 million in 2021/22 to £47.5m. £1.4m or 3.3% of this increase arose from shared equity property disposals.

Group operating costs of £34.4 million represent 72.3% of turnover (69.1% in 2021/22). This includes an increase in costs of £1.9m associated with property disposals.

The surplus on ordinary activities for the Group was £7.8 million, showing a decrease over 2021/22 of £0.5 million (6% decrease). This was impacted by inflationary pressures on maintenance costs, as well as increased repairs as we came out of COVID restrictions. Increased salary costs reflect increased head count and interest costs increases relate to new borrowing to help fund continued growth.

Commercial properties comprising commercial premises to let and market rent residential property were revalued at year end 31 March 2023. Overall these investment properties benefited from a small increase on revaluation of £0.2m.

Financing costs increased from £4.8 million in 2021/22 to £5.6 million. This was in part due to new loans secured as part of a Private Placement which was priced before the economic turmoil in September 2022. Loan balances were £182.1m (£174.7m in 2021/22).

The Association continues its programme of major repairs and improvements to properties and the total expenditure in the year was £3.0 million. This was £0.8m below planned levels. Expenditure of this type will fluctuate from year-to-year dependent on the age and condition of schemes. Costs deferred in 2022/23, will be reprogrammed in 2023/24 and future years.

### Events after the balance sheet.

There were no post balance sheet events. The potential ongoing impact of the current economic and political uncertainty is considered under Risk Management and expected performance in 2023/24 is outlined above.

### Expected performance in the year ending 31 March 2024

Notwithstanding the ongoing economic upheaval, the Group expects further growth in 2023/24, as a result of the significant on-going development programme and the requirement to include inflationary increases in rental charges. Turnover is projected to increase by around 9% to approximately £52.3 million, with the end of the right to buy scheme leading to further house sales as existing applications are processed.

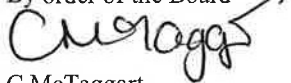
It is planned that approximately 179 additional homes will be completed during the year and after of disposals estimated at 30, the total homes owned or managed will increase to approximately 6,000 units (net of right to buy sales and equity share sales).

£3.7m of expenditure regarding the on-going programme of major repairs and improvements to properties is anticipated in the year. The Group operates in a highly regulated environment which can result in associated cost pressures and constraints on income streams. It will continue to develop a co-ordinated corporate approach to achieving efficiency targets in line with the Strategic Plan. Priorities have been set to ensure that efficiencies are gained without an adverse impact on service delivery or service user satisfaction.

### Financial sustainability

The Group has a robust and comprehensive framework of longer-term financial planning in place. The Board regularly considers the longer-term financial plan which covers a 40-year period. The plan includes sensitivity analysis and compares projected results to funders' covenants where applicable. To demonstrate the robustness of the plan, and to inform the Board of the potential risks associated with the financial plan, several scenario analyses are completed. The most recent plan was considered by the Board in March 2023. This incorporated stress testing on a multi-variate basis that considered the potential downside from economic and business risks potentially arising. This demonstrated that the financial plan does not put undue pressure on the Group, and that through the adoption of planned mitigation strategies the Group can continue to operate within its covenant limits.

By order of the Board



C McTaggart

Company Secretary

6 July 2023

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

The Board present their report and the audited financial statements for the year ended 31 March 2023 of Clanmil Housing Association Limited (the “Association”) and its subsidiaries (the “Group”).

### Board

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

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

The sections on performance in the year ended 31 March 2023 and expected performance in the year ended 31 March 2024, are contained in the strategic report, which forms part of this report.

### Treasury

The Group’s treasury management policy facilitates the effective management of cash flows, borrowings, investments and the risks associated with these activities. An update to the policy was approved by the Board in February 2023.

At 31 March 2023 the Association had loans outstanding of £182.1 million, compared with £174.7m at 31 March 2022. Average net debt per unit continued at £31k at 31 March 2023 (£31k 2021/22) as 186 homes (net of disposals) were added in the year.

The Group was fully compliant with loan covenants during the year.

The Association’s interest cover ratio for the year of 2.3 times and the gearing ratio as at 31 March 2023 of 28.0% comfortably meet the Association’s primary lender requirements.

Responsibility for the management of interest rate risk and liquidity risk is with the Board. The Association finances its operations through a combination of borrowing and the reinvestment of reserves. The amount of borrowings and its terms are reviewed and determined by the Board. The Group engages specialist Treasury Management Advisors to assist in this process.

### Interest rate risk

Exposure to fluctuating interest rates is managed by the composition of a balanced portfolio between fixed rate and variable rate loans.

### Liquidity risk

The Group maintains a mixture of long-term and short-term loan finance that is designed to ensure there are sufficient funds to achieve business objectives and to facilitate planned growth.

As at 31<sup>st</sup> March 2023, the Group had agreed facilities unused across a number of Institutions of £40m, to assist in funding its growth strategy and meeting ongoing commitments.

### Currency risk

The Association and Group do not engage in foreign currency transactions and so are not exposed to exchange risk.

### Regulation

The Association’s principal regulator is the Department for Communities (DfC). It is also regulated by the Charity Commission Northern Ireland (CCNI) and the Northern Ireland Housing Executive (NIHE) in its role as administrator of Supporting People funding.

## Report of the Board for the year ended 31 March 2023 (cont'd)

The Association complies with the DfC Regulatory Standards. Based on the last Regulatory Framework rating received in relation to 2021/22, DfC determined that Clanmil Housing Association Limited met the Regulatory Standards for Governance, Finance and Consumer with the highest Rating 1- meets the requirement.

### Quality Management

The quality of the Association's management systems is recognised through the Investors in People Silver re-accreditation in May 2022, and the standards of the Regulation and Quality Improvement Authority.

### Environmental matters

The Group recognises its corporate responsibility to carry out its operations and development programme whilst minimising environmental impacts. The Board's continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

### Statement of the responsibilities of the members of the Board

The Co-operative and Community Benefit Societies Act and registered housing association legislation require the members of the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of the Association and Group's affairs and of its surplus or deficit for that period. In preparing these statements the Board is required to:

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

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

### Statement of disclosure of information to auditors

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

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

### Internal Control

The Board has overall responsibility for the Association and Group's internal control systems and for reviewing the effectiveness of these. Such systems can only provide the Board with reasonable, and not absolute, assurance against material misstatement or loss as they are designed to manage the risk of failure to achieve business objectives rather than eliminate the risk completely.

## Report of the Board for the year ended 31 March 2023 (cont'd)

### Audit

The Board has established a Group Audit and Risk Committee with clearly defined terms of reference. The main functions of the Group Audit and Risk Committee are to control and review the external and internal audit functions, the internal control systems and monitor the performance of the Association against the key business indicators. The Association's internal auditors report directly to the Group Audit and Risk Committee on completion of each systems review and an annual summary report is produced by the internal auditors summarising the systems audit programme each year. The provision of the external auditor's report to those Charged with Governance also provides some assurance through the year-end audit and the provision of an internal control report.

### Board and Executive Officers

The members of the Board and the Executive Officers of the Association are listed on page 2.

After a qualifying period each member of the Board becomes a shareholder and holds one fully paid share of £1 in the Association.

### Independent auditors

The auditors, ASM (B) Ltd, 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



C McTaggart  
Company Secretary  
6 July 2023

**Clanmil Housing Association Limited**

Northern Ireland - Charity number 103840

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# Annual return

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**Independent auditors' report to the members of Clanmil Housing Association Limited****Report on the audit of the financial statements****Opinion**

We have audited the financial statements, included within the Annual Statement of Accounts ("the Annual Report"), which comprise: the consolidated and association statements of financial position as at 31 March 2023; the consolidated and association statements of comprehensive income, the consolidated and association statements of changes in reserves, and the consolidated cash flow statement for the year then ended, and the notes to the financial statements, which include a description of the significant accounting policies.

In our opinion, Clanmil Housing Association Limited's group financial statements and association financial statements ("the financial statements"):

- give a true and fair view of the state of the group's and of the association's affairs as at 31 March 2023 and of the group's and association'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);
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 and association 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**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and association's ability to continue as a going concern.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

**Responsibilities for the financial statements and the audit****Responsibilities of the board for the financial statements**

As explained more fully in the Statement of the responsibilities of the members of the Board of Management set out on pages 12 and 13, the Board is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Independent auditors' report to the members of Clanmil Housing Association Limited  
(continued)**

In preparing the financial statements, the board is responsible for assessing the group's and association's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group and association 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.

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:

- a. We considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income and posting of unusual journals. To address those risks we discussed the risks with client management and designed audit procedures to test the timing of revenue recognition and tested a sample of journals to confirm they were appropriate.

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

**Use of this report**

This report, including the opinions, has been prepared for and only for the private registered provider's members as a body in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and article 19 of The Housing (Northern Ireland) Order 1992 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**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 association; or
- the association financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



Brian Clerkin (Senior Statutory Auditor)  
for and on behalf of ASM (B) Ltd  
Statutory Auditor  
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Belfast  
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6 July 2023