

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

| | Note | 2025 £ | 2024 £ |
|--|-------------|-------------------|-------------------|
| Turnover | 2 | 8,014,780 | 6,783,783 |
| Operating costs | 2 | (5,893,153) | (4,820,591) |
| Gain/(Loss) on disposal of housing properties | | - | 23,878 |
| Operating Surplus | 7 | 2,121,627 | 1,987,070 |
| Interest receivable and similar income | 5 | 19,070 | 15,177 |
| Interest payable and similar charges | 6 | (1,153,539) | (876,307) |
| Other finance costs | 15 | 6,000 | 9,000 |
| Additional Pension Service Costs | 15 | 20,000 | (3,000) |
| Surplus on ordinary activities | | 1,013,158 | 1,131,940 |
| Actuarial (loss)/gain on pension scheme | | (26,000) | (88,000) |
| Total comprehensive income for the year | | <u>987,158</u> | <u>1,043,940</u> |

All amounts above relate to continuing operations.

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

Turnover includes £0 (2024: £391,834) house sales income.

Operating costs include a transfer to Disposal Proceeds Fund of £0 (2025: £367,956)

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2025

| | Note | 2025 £ | 2024 £ |
|---|-------------|-------------------------|-------------------------|
| Surplus for the financial year | | 1,013,158 | 1,131,940 |
| Actuarial (loss)/gain on pension scheme | 15 | (26,000) | (88,000) |
| Issued share capital in year | 16 | <u>1</u> | <u>-</u> |
| Net changes in capital and reserve | | 987,159 | 1,043,940 |
| Opening restricted reserve | | 56,979 | 142,582 |
| Movement in Restricted Reserves in year | | (44,482) | (98,100) |
| Opening revenue reserve | | 8,817,110 | 7,785,666 |
| Opening Capital | 16,17 | <u>52</u> | <u>52</u> |
| Closing total capital and reserves | | <u><u>9,816,818</u></u> | <u><u>8,874,140</u></u> |

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

| | | 2025 | 2024 |
|--|-------------|----------------------|---------------------|
| | Note | £ | £ |
| FIXED ASSETS | | | |
| Housing properties - depreciated cost | 8 | 117,678,046 | 104,579,962 |
| Other tangible fixed assets | 9 | 803,080 | 870,710 |
| | | <u>118,481,126</u> | <u>105,450,672</u> |
| NON CURRENT ASSETS | | | |
| Pension | 15 | - | - |
| CURRENT ASSETS | | | |
| Debtors | 10 | 3,034,095 | 6,368,278 |
| Cash at bank and in hand | | <u>3,866,737</u> | <u>1,880,134</u> |
| | | 6,900,832 | 8,248,412 |
| Creditors: amounts falling due within one year | 11 | (12,728,269) | (16,676,832) |
| Net Current (Liabilities)/Assets | | <u>(5,827,437)</u> | <u>(8,428,420)</u> |
| Total Assets Less Current Liabilities | | <u>112,653,689</u> | <u>97,022,252</u> |
| CREDITORS: amounts falling due after more than one year | | | |
| Creditors | 12 | <u>(102,836,871)</u> | <u>(88,148,111)</u> |
| | | <u>(102,836,871)</u> | <u>(88,148,111)</u> |
| NET ASSETS | | <u>9,816,818</u> | <u>8,874,141</u> |
| Capital and Reserves | | | |
| Called up share capital | 16 | 10 | 9 |
| Capital reserve | 17 | 43 | 43 |
| Restricted reserves | 19 | 27,968 | 56,979 |
| Revenue reserve | 18 | <u>9,788,797</u> | <u>8,817,110</u> |
| TOTAL FUNDS | | <u>9,816,818</u> | <u>8,874,141</u> |

An undrawn Revolving Credit Facility balance of £5.8m is in place.

The financial statements on pages 21 to 41 were approved by the Board of Management on 30 June 2025 and were signed on its behalf by:

Chair of the Board of Management

Mr Tom Doran



Company Secretary

Mr James McShane



Board Member



ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

| | Note | 2025 £ | 2024 £ |
|---|------|-------------------------|-------------------------|
| Net cash generated from operating activities | 23 | 2,683,838 | 2,682,343 |
| Cash flow from Investing activities | | | |
| Purchase of housing properties | | (13,310,198) | (11,851,499) |
| Purchase of other fixed assets | | (26,979) | (44,507) |
| House Sales | | - | 516,070 |
| Capital grants received | | 7,546,846 | 3,614,275 |
| | | <u>(5,790,331)</u> | <u>(7,765,661)</u> |
| Cash flow from financing activities | | | |
| Loan principal repayments | | (427,953) | (396,171) |
| Loan (repayments)/advances received | | 6,700,000 | 7,000,000 |
| Shares | | - | - |
| Repayment of Restricted Reserves to NIHE | | (44,482) | (98,100) |
| Interest Paid | | (1,153,539) | (811,749) |
| Interest Received | | 19,070 | 15,177 |
| Net cash from financing activities | | <u>5,093,096</u> | <u>5,709,157</u> |
| Net increase/(decrease) in cash | | 1,986,603 | 625,839 |
| Cash and cash equivalents at the beginning of the year | | <u>1,880,134</u> | <u>1,254,295</u> |
| Cash and cash equivalents at the end of the year | | <u>3,866,737</u> | <u>1,880,134</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting Policies

1.1 Basis of Accounting

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

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

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

1.2 Turnover

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

1.3 Other Tangible Fixed Assets and Depreciation

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

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

1.4 Housing Properties

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

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

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

| | |
|----------------------------|-----------------|
| Land | Not depreciated |
| Structure (including roof) | 100 years |
| Kitchen | 20 years |
| Bathroom | 25 years |
| Heating boiler | 10/15 years |
| Heating system | 30 years |
| Windows and doors | 35 years |
| Electrics | 35 years |

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

1 Accounting Policies (Cont'd)

1.5 Impairment of fixed assets

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

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

1.6 Housing Association Grant

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

1.7 Restricted Reserves

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

1.8 Retirement Benefits

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

1.9 Disposal Proceeds Fund

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

1.10 Tenants' Services Fund

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

1 Accounting Policies(Cont'd)

1.11 Employee Benefits

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

1.12 Cash and Cash Equivalents

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

1.13 Financial Instruments

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

Basic financial assets

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

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

1 Accounting Policies (Cont'd)

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.4 Judgement and Key Sources of Estimation Uncertainty

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

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

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

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

2 Turnover, operating costs and operating surplus

| | 2025 | | | 2024 | | |
|-------------------------------|-----------------------|--------------------|------------------------------------|-----------------------|--------------------|------------------------------------|
| | Operating Turnover | Operating Costs | Operating Surplus/ (deficit) | Operating Turnover | Operating Costs | Operating Surplus/ (deficit) |
| | £ | £ | £ | £ | £ | £ |
| Social Housing Activities | 7,145,230 | 5,040,535 | 2,104,695 | 6,232,011 | 4,259,950 | 1,972,061 |
| Non-Social Housing Activities | 869,550 | 852,618 | 16,932 | 943,606 | 928,597 | 15,009 |
| Total | 8,014,780 | 5,893,153 | 2,121,627 | 7,175,617 | 5,188,547 | 1,987,070 |

Income from Social Housing

| | Property Revenue | Sheltered | Supported | 2025 Total Social Housing |
|----------------------------------|---------------------|-----------|-----------|---------------------------------|
| | £ | £ | £ | £ |
| Rent receivable | 4,748,004 | 335,620 | 348,183 | 5,431,807 |
| Service Charges Receivable | 430,562 | 153,571 | 200,915 | 785,048 |
| Support Charges and other | - | 37,106 | - | 37,106 |
| Other Operating Income | - | - | - | - |
| Gross Income | 5,178,566 | 526,297 | 549,098 | 6,253,961 |
| Voids | (71,182) | (12,374) | (16,060) | (99,616) |
| Net Income | 5,107,384 | 513,923 | 533,038 | 6,154,345 |
| Grant released | 847,892 | 25,809 | 117,184 | 990,885 |
| Total Income | 5,955,276 | 539,732 | 650,222 | 7,145,230 |
| Operating Costs | | | | |
| Services | 354,917 | 129,270 | 157,901 | 642,088 |
| Support | - | 34,112 | - | 34,112 |
| Rates Payable | 536,171 | 47,718 | - | 583,889 |
| Insurance | 148,983 | 9,888 | 18,596 | 177,467 |
| Management Costs | 638,322 | 61,637 | 77,737 | 777,696 |
| Maintenance Administration Costs | 309,289 | - | - | 309,289 |
| Planned and Cyclical Maintenance | 137,497 | 7,014 | 13,884 | 158,395 |
| Reactive Maintenance | 463,994 | 59,402 | 93,694 | 617,090 |
| Gardening | 26,018 | 3,309 | 13,561 | 42,888 |
| Component Disposals | 24,294 | 34,235 | 22,406 | 80,935 |
| Depreciation | 1,401,927 | 85,683 | 129,076 | 1,616,686 |
| Bad Debts | - | - | - | - |
| Other | - | - | - | - |
| Total Operating Costs | 4,041,412 | 472,268 | 526,855 | 5,040,535 |
| Operating Surplus | | | | 2,104,695 |

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

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

Income from Social Housing

| | Property Revenue | Sheltered | Supported | 2024 Total Social Housing |
|----------------------------|-----------------------------|------------------|------------------|--|
| | £ | £ | £ | £ |
| Rent receivable | 3,801,645 | 306,109 | 320,574 | 4,428,328 |
| Service Charges Receivable | 330,077 | 147,232 | 197,454 | 674,763 |
| Support Charges and other | - | 34,915 | - | 34,915 |
| Other Operating Income | 391,833 | - | - | 391,833 |
| Gross Income | 4,523,555 | 488,256 | 518,028 | 5,529,839 |
| Voids | (54,095) | (4,038) | (8,827) | (66,960) |
| Net Income | 4,469,460 | 484,218 | 509,201 | 5,462,879 |
| Grant released | 659,027 | 20,733 | 89,372 | 769,132 |
| Total Income | 5,128,487 | 504,951 | 598,573 | 6,232,011 |

Operating Costs

| | | | | |
|----------------------------------|-----------|---------|---------|-----------|
| Services | 262,452 | 122,809 | 155,578 | 540,839 |
| Support | - | 33,652 | - | 33,652 |
| Rates Payable | 432,983 | 45,864 | - | 478,847 |
| Insurance | 130,906 | 9,180 | 17,475 | 157,561 |
| Management Costs | 482,520 | 57,865 | 70,929 | 611,314 |
| Maintenance Administration Costs | 256,020 | - | - | 256,020 |
| Planned and Cyclical Maintenance | 70,874 | 10,629 | 6,726 | 88,229 |
| Reactive Maintenance | 289,586 | 31,513 | 50,094 | 371,193 |
| Gardening | 23,233 | 5,392 | 14,715 | 43,340 |
| Component Disposals | 28,460 | 4,590 | - | 33,050 |
| Depreciation | 1,084,810 | 72,608 | 120,532 | 1,277,950 |
| Bad Debts | - | - | - | - |
| Other | 367,955 | - | - | 367,955 |
| Total Operating Costs | 3,429,799 | 394,102 | 436,049 | 4,259,950 |

Operating Surplus

1,972,061

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

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

| | 2025 | | | |
|---------------|-----------------------------|------------------|------------------|---------------------------------|
| | Property Revenue | Sheltered | Supported | Total Social Housing |
| | £ | £ | £ | £ |
| Technical | 3,624,996 | 470,555 | 494,188 | 4,589,739 |
| Non-technical | 1,553,570 | 18,636 | 54,910 | 1,627,116 |
| Total | 5,178,566 | 489,191 | 549,098 | 6,216,855 |

| | 2024 | | | |
|---------------|-----------------------------|------------------|------------------|---------------------------------|
| | Property Revenue | Sheltered | Supported | Total Social Housing |
| | £ | £ | £ | £ |
| Technical | 2,892,205 | 436,290 | 466,225 | 3,794,720 |
| Non-technical | 1,239,517 | 17,051 | 51,803 | 1,308,371 |
| Total | 4,131,722 | 453,341 | 518,028 | 5,103,091 |

| DFC Allowances | 2025 | 2024 |
|----------------------------------|------------------|------------------|
| | £ | £ |
| Management Allowances | 279,972 | 260,964 |
| Management Costs | (587,353) | (443,563) |
| Deficit | (307,381) | (182,599) |
| | | |
| Maintenance Allowances | 328,048 | 305,776 |
| Planned and cyclical maintenance | (137,497) | (70,874) |
| Reactive Maintenance | (463,994) | (289,586) |
| Surplus/(Deficit) | (273,443) | (54,684) |

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

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

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

| | 2025 | 2024 |
|---------------------|----------------|----------------|
| | £ | £ |
| Income | 869,550 | 943,606 |
| Total | <u>869,550</u> | <u>943,606</u> |
| Operating Costs | | |
| Management Services | 852,618 | 928,597 |
| Total | <u>852,618</u> | <u>928,597</u> |
| Operating surplus | <u>16,932</u> | <u>15,009</u> |

Housing Stock

| | 2025 | 2024 |
|--|-------------|-------------|
| | £ | £ |
| Number of units owned on 31 March | | |
| General needs housing | 712 | 659 |
| Supported Housing | 57 | 57 |
| Sheltered Housing | 74 | 74 |
| Homeless | 24 | 24 |
| | <u>867</u> | <u>814</u> |

3 Board Members' emoluments

Board members act in a voluntary capacity and as such, none were in receipt of emoluments during the financial year. Four members were reimbursed expenses totalling £432 during the year. (2024 – £132).

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

4 Employee information

| | 2025 | 2024 |
|---|-----------|-----------|
| Average monthly number of persons employed during the financial year by activity: | | |
| Office | Number 22 | Number 21 |
| Support Staff | 19 | 18 |
| | <u>41</u> | <u>39</u> |

| | | |
|-----------------------|------------------|------------------|
| Staff Costs | £ | £ |
| Wages and salaries | 1,322,669 | 1,230,098 |
| Social security costs | 129,978 | 110,168 |
| Other pension costs | 235,360 | 220,016 |
| Agency costs | - | 102,878 |
| | <u>1,688,007</u> | <u>1,663,160</u> |

The aggregate remuneration, including benefits in kind and pension contributions, of key management personnel of the Association during the year was:

| | | |
|------------------------|----------------|----------------|
| Aggregate remuneration | <u>411,790</u> | <u>370,066</u> |
| | <u>411,790</u> | <u>370,066</u> |

The number of management personnel to whom emoluments (including salary, employer national insurance, employer pension contributions and benefits in kind) were paid during the year falls within each of the following bands:

| | 2025 Number | 2024 Number |
|---------------------|----------------|----------------|
| £130,000 - £135,000 | 1 | - |
| £120,000 - £125,000 | - | 1 |
| £95,000 - £100,000 | 3 | - |
| £85,000 - £90,000 | - | 2 |
| £65,000 - £70,000 | - | 1 |
| | <u>4</u> | <u>4</u> |

5 Interest receivable and similar income

| | 2025 £ | 2024 £ |
|---------------------|---------------|---------------|
| Interest receivable | <u>19,070</u> | <u>15,177</u> |

6 Interest payable and similar charges

| | 2025 £ | 2024 £ |
|-------------------------|------------------|----------------|
| Loan interest repayable | <u>1,153,539</u> | <u>876,307</u> |

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

7 Operating Surplus

| | 2025 | 2024 |
|--|-------------|-------------|
| | £ | £ |
| This is stated after | | |
| Depreciation | 1,702,307 | 1,357,472 |
| Amortisation of grant | (952,263) | (752,466) |
| Amortisation written off | (38,622) | (16,666) |
| Components written off | 80,935 | 33,050 |
| Operating Lease Rentals - land and buildings | | |
| Auditors' remuneration | | |
| - audit services | 10,200 | 9,000 |

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

| | 2025 | 2024 |
|-----------------------------------|---------------------------|---------------------------|
| Cost | | |
| At 1 April 2024 | 113,567,938 | 101,610,670 |
| Additions | 14,795,704 | 12,571,142 |
| Disposals | <u>(140,712)</u> | <u>(613,874)</u> |
| At 31 March 2025 | <u>128,222,930</u> | <u>113,567,938</u> |
| Accumulated depreciation | | |
| At 1 April 2024 | 8,987,976 | 7,959,971 |
| Charge for year | 1,616,685 | 1,277,950 |
| Disposals | <u>(59,777)</u> | <u>(249,945)</u> |
| At 31 March 2025 | <u>10,544,884</u> | <u>8,987,976</u> |
| NBV at 31 March 2025 | <u><u>117,678,046</u></u> | <u><u>104,579,962</u></u> |
| Net Book Amount Comprises: | | |
| Completed Schemes | 79,072,563 | 87,430,472 |
| Schemes in Progress | <u>38,605,484</u> | <u>17,149,490</u> |
| | <u><u>117,678,046</u></u> | <u><u>104,579,962</u></u> |

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

9 Other Tangible Fixed Assets

| | House Furniture £ | Office Fixtures & Fittings £ | New Office £ | Office Refurb £ | 2025 Total £ | 2024 Total £ |
|---------------------------------|----------------------------------|---|-----------------------------|--------------------------------|-----------------------------|-----------------------------|
| Cost | | | | | | |
| At 1 April 2024 | 22,301 | 177,505 | 606,705 | 309,035 | 1,115,546 | 1,062,703 |
| Additions | - | 17,992 | - | - | 17,992 | 52,843 |
| Disposals | - | - | - | - | - | - |
| At 31 March 2025 | 22,301 | 195,497 | 606,705 | 309,035 | 1,133,538 | 1,115,546 |
| Accumulated depreciation | | | | | | |
| At 1 April 2024 | 22,301 | 69,154 | 60,670 | 92,712 | 244,837 | 165,314 |
| Charge for the year | - | 34,494 | 20,223 | 30,904 | 85,621 | 79,522 |
| Disposals | - | - | - | - | - | - |
| At 31 March 2025 | 22,301 | 103,648 | 80,893 | 123,616 | 330,458 | 244,836 |
| Net book value | | | | | | |
| At 31 March 2025 | - | 91,849 | 525,812 | 185,419 | 803,080 | 870,710 |

| | 2025 £ | 2024 £ |
|--|-------------------|-------------------|
| 10 Debtors | | |
| Rental Debtors - Gross technical | 409,436 | 278,603 |
| Rental Debtors - Gross non-technical | 128,645 | 131,850 |
| Provision for Bad Debts | (53,630) | (53,630) |
| Net Rental (including rates and service charges) | 484,451 | 356,823 |
| Other Debtors | 22,383 | 96,465 |
| Prepayments | 110,841 | 103,798 |
| Housing Association Grants Receivable | 2,416,420 | 5,811,192 |
| | 3,034,095 | 6,368,278 |

11 Creditors - amounts falling due within one year

| | 2025 £ | 2024 £ |
|--|-------------------|-------------------|
| Bank loans (note 14) | 527,985 | 405,261 |
| Rent, rates, service charges received in advance | 108,859 | 59,932 |
| Deferred Grant (note 13) | 1,443,331 | 1,269,774 |
| HAG in Advance | 5,440,976 | 10,957,646 |
| Contractors | 499,642 | 233,992 |
| Other Creditors | 322,226 | 538,406 |
| Accruals and Deferred Income | 3,841,238 | 2,674,809 |
| Payroll cost and Pension fund | 56,241 | 49,241 |
| Disposals proceeds fund | 487,771 | 487,771 |
| | 12,728,269 | 16,676,832 |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

12 Creditors - amounts falling due after more than one year

| | 2025 | 2024 |
|--------------------------------------|---------------------------|--------------------------|
| | £ | £ |
| Bank Loans (note 14) | 32,113,593 | 25,929,134 |
| Housing Association Grants (note 13) | <u>70,723,278</u> | <u>62,218,977</u> |
| | <u><u>102,836,871</u></u> | <u><u>88,148,111</u></u> |

13 Deferred Grant - Housing Association Grant

| | 2025 | 2024 |
|--|--------------------------|--------------------------|
| | £ | £ |
| Housing Association Grant | | |
| At 1 April 2024 | 69,508,903 | 63,815,233 |
| Additions | 9,668,746 | 6,042,582 |
| Disposals | <u>(81,251)</u> | <u>(348,912)</u> |
| At 31 March 2025 | <u><u>79,096,398</u></u> | <u><u>69,508,903</u></u> |
| Accumulated Amortisation | | |
| At 1 April 2024 | 6,020,152 | 5,393,450 |
| Charge for year | 952,718 | 751,069 |
| Disposals | <u>(43,081)</u> | <u>(124,367)</u> |
| At 31 March 2025 | <u><u>6,929,789</u></u> | <u><u>6,020,152</u></u> |
| NBV at 31 March 2025 | <u><u>72,166,609</u></u> | <u><u>63,488,751</u></u> |
| Released within one year | 1,443,331 | 1,269,774 |
| Released after more than one year | <u><u>70,723,278</u></u> | <u><u>62,218,977</u></u> |
| | <u><u>72,166,609</u></u> | <u><u>63,488,751</u></u> |

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

14 Loans

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

| | 2025 | 2024 |
|---|--------------------------|--------------------------|
| | £ | £ |
| Bank loans - Housing property and other loans | | |
| Less than one year | 527,985 | 405,261 |
| Between one and two years | 527,985 | 524,000 |
| Between two and five years | 2,168,075 | 1,744,613 |
| After more than five years | <u>29,417,533</u> | <u>23,660,521</u> |
| | <u><u>32,641,578</u></u> | <u><u>26,334,395</u></u> |

Bank loans include £23,405,065 of secured loans repayable after five years by quarterly instalments of £137,494. All RCF loans outstanding at the end of the applicable period, will be converted to term loan until the end of the facility term being repayable on amortised basis over 45 years. Bank loans bear interest at rates ranging between 2.27% and 6.14% at variable and fixed rates. All bank loans is secured by way of mortgages upon the deeds of approved portfolios of properties.

Unamortised finance costs of £230,087 (2024 - £265,223) associated with the secured loan are held against the outstanding balance measured at amortised cost using the effective interest method in accordance with FRS 102 Section 11.

15 Retirement Benefits

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

Formal valuations are carried out at regular intervals by independent professionally qualified actuaries. The last formal valuation was carried out as at 31 March 2025.

Assumptions

| | 2025 | 2024 | 2023 |
|-----------------------------------|----------------|----------------|----------------|
| | (£000s) | (£000s) | (£000s) |
| Rate of salary increase | 4.00% | 4.10% | 4.50% |
| Pension increases in payment | 2.50% | 2.60% | 3.00% |
| Discount rate | 5.80% | 4.60% | 2.70% |
| Pension accounts revaluation rate | 2.50% | 2.60% | 3.00% |

Mortality Rates

| | 2025 | 2024 |
|-----------------------------|----------------|----------------|
| | (Years) | (Years) |
| Male - current pensioners | 21.6 | 21.7 |
| Male - future pensioners | 22.2 | 22.7 |
| Female - current pensioners | 24.5 | 24.6 |
| Female - future pensioners | 25.2 | 25.6 |

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

15 Retirement Benefits(continued)

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

| | 2025 | 2024 |
|--------------------|----------------|----------------|
| | (£000s) | (£000s) |
| Equities | 1,950 | 1,752 |
| Government bonds | 747 | 662 |
| Property | 485 | 410 |
| Corporate bonds | 175 | 203 |
| Multi Asset Credit | 650 | 574 |
| Other | 291 | 265 |
| Cash | 553 | 547 |

Reconciliation of funded status to balance sheet

| | 2025 | 2024 |
|-------------------------------------|----------------|----------------|
| | (£000s) | (£000s) |
| Fair value of assets | 4,851 | 4,413 |
| Present value of scheme liabilities | <u>3,506</u> | <u>3,958</u> |
| Surplus/(deficit) in scheme | 1,345 | 455 |
| Related deferred tax liability | <u>(1,345)</u> | <u>(455)</u> |
| Net pension surplus/(deficit) | <u>-</u> | <u>-</u> |

Income and expenditure impact

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

| | 2025 | 2024 |
|--|----------------|----------------|
| | (£000s) | (£000s) |
| Current service cost | 215 | 222 |
| Interest on net liability | (28) | (9) |
| Interest on unrecognised asset | <u>22</u> | <u>-</u> |
| Income Statement Total | <u>209</u> | <u>213</u> |
| Asset (losses)/gains arising in the period | (19) | 197 |
| Liability gains/(losses) arising in the period | <u>(7)</u> | <u>(285)</u> |
| Other Comprehensive Income Statement Total | <u>(26)</u> | <u>(88)</u> |

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

15 Retirement Benefits (continued)

Changes to the present value of obligations

| | 31-Mar-25 | 31-Mar-24 |
|--------------------------------------|---------------------|---------------------|
| | (£000s) | (£000s) |
| Opening obligation | 3,958 | 3,732 |
| Current service cost | 215 | 222 |
| Past service cost | - | - |
| Interest expense on obligations | 190 | 172 |
| Contributions by participants | 84 | 77 |
| Actuarial (gain)/loss on liabilities | (861) | (170) |
| Net benefits paid out | <u>(80)</u> | <u>(75)</u> |
| Closing obligation | <u><u>3,506</u></u> | <u><u>3,958</u></u> |

Changes to the fair value of assets

| | 31-Mar-25 | 31-Mar-24 |
|-------------------------------|---------------------|---------------------|
| | (£000s) | (£000s) |
| Opening fair value of assets | 4,413 | 3,814 |
| Interest income on assets | 218 | 181 |
| Remeasurement (losses)/gains | (19) | 197 |
| Contributions by employer | 235 | 219 |
| Contributions by participants | 84 | 77 |
| Net benefits paid out | <u>(80)</u> | <u>(75)</u> |
| Closing fair value of assets | <u><u>4,851</u></u> | <u><u>4,413</u></u> |

Actual return on assets

| | 31-Mar-25 | 31-Mar-24 |
|------------------------------|-------------------|-------------------|
| | (£000s) | (£000s) |
| Interest income on assets | 218 | 181 |
| Remeasurement (losses)/gains | <u>(19)</u> | <u>197</u> |
| Actual return on assets | <u><u>199</u></u> | <u><u>378</u></u> |

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

16 Called up Share Capital

| | 2025 | 2024 |
|---------------------------------------|------------------|-----------------|
| | £ | £ |
| Ordinary shares of £1 each, full paid | | |
| At 1 April 2024 | 9 | 11 |
| Allotted during the year | 1 | - |
| Transferred to capital reserve | <u>-</u> | <u>(2)</u> |
| At 31 March 2025 | <u>10</u> | <u>9</u> |

17 Capital Reserve

| | 2025 | 2024 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| At 1 April 2024 | 43 | 41 |
| Transferred from share capital | <u>-</u> | <u>2</u> |
| At 31 March 2025 | <u>43</u> | <u>43</u> |

18 Revenue Reserve

| | 2025 | 2024 |
|-------------------------|-------------------------|-------------------------|
| | £ | £ |
| At 1 April 2024 | 8,817,110 | 7,785,666 |
| Surplus for the year | 997,687 | 1,119,444 |
| Actuarial gain | <u>(26,000)</u> | <u>(88,000)</u> |
| At 31 March 2025 | <u>9,788,797</u> | <u>8,817,110</u> |

19 Restricted Reserve

| | 2025 | 2024 |
|--|----------------------|----------------------|
| | £ | £ |
| At 1 April 2024 | 56,979 | 142,582 |
| Refund to NIHE Supporting People (2022/23) | (44,482) | (98,100) |
| Surplus in year | <u>15,471</u> | <u>12,497</u> |
| At 31 March 2025 | <u>27,968</u> | <u>56,979</u> |

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

20 Contingent liabilities

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

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONT'D)

21 Commitments

Capital Commitments

Capital commitments amounting to £26,692,417 (2024 - £32,828,542) have been contracted for as at 31 March 2025. These commitments will be financed through a combination of HAG, loans and the Association's reserves.

Operating Lease Commitments

At the year end the Association had no commitments under operating leases (2024 - Nil).

22 Related party disclosures

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

23 Notes to the Cash Flow Statement

| | 2025 | 2024 |
|--|------------------|------------------|
| | £ | £ |
| Net cash inflow from operating activities | | |
| Operating surplus for the year | 2,121,627 | 1,987,070 |
| Depreciation of tangible fixed assets | 1,702,307 | 1,357,472 |
| Amortisation of grant | (952,263) | (752,466) |
| Amortisation written off | (38,622) | (16,666) |
| Components written off | 80,935 | 33,050 |
| Movement in debtors | (76,047) | (38,970) |
| Movement in creditors less than one year | (154,099) | 112,853 |
| | <u>2,683,838</u> | <u>2,682,343</u> |

24 Analysis of Changes to Net Debt

| | 2024 | Cashflows | Other non-cash changes | 2025 |
|-------------------------------|----------------------|----------------------|-------------------------------|----------------------|
| | £ | £ | £ | £ |
| Long-term borrowings | (25,929,133) | (6,135,439) | (49,020) | (32,113,592) |
| Short-term borrowings | <u>(405,261)</u> | <u>(136,608)</u> | <u>13,884</u> | <u>(527,985)</u> |
| Total Liabilities | <u>(26,334,394)</u> | <u>(6,272,047)</u> | <u>(35,136)</u> | <u>(32,641,577)</u> |
| Cash and Cash Equivalents | <u>1,880,134</u> | <u>1,986,603</u> | <u>-</u> | <u>3,866,737</u> |
| Total net debt | <u>(24,454,260)</u> | <u>(4,285,444)</u> | <u>(35,136)</u> | <u>(28,774,840)</u> |