

Independent Auditor's Report (cont'd)

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

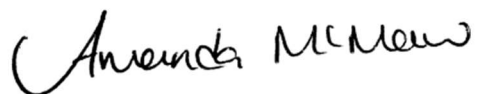
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting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

- We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income; and posting of unusual journals along with complex transactions. We discussed these risks with client management, designed audit procedures to test the timing of income, tested 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. This description forms part of our auditors' report.

Use of our report

This report is made solely to the Board of Management, in accordance with Article 38 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969). Our audit work has been undertaken so that we might state to the Board of Management those matters that we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Board of Management, for our audit work, for this report, or for the opinion we have formed.



Amanda McMaw (Senior Statutory Auditor)
For and on behalf of Sumer AuditCo NI Ltd
Statutory Auditors
Glendinning House
6 Murray Street
Belfast
BT1 6DN

26 September 2024

Statement of Comprehensive Income

For the year ended 31 March 2024

	Notes	2024 £	2023 £
Turnover	3	7,246,763	6,600,858
Operating costs	3	6,268,518	6,072,461
Operating surplus / (deficit)		978,245	528,397
Gain / (loss) on disposal of fixed assets		(32,902)	-
Interest payable	7	(8,216)	(2,612)
Interest receivable		17,806	20,476
Finance costs		(48,922)	(49,905)
Surplus / (deficit) before tax		906,011	496,356
Taxation		-	-
Surplus / (deficit) after tax		906,011	496,356
Other comprehensive income		-	-
Unrealised surplus / (deficit) on revaluation of housing properties		-	-
Total comprehensive income for the year		906,011	496,356

The notes on pages 20 to 33 form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 March 2024

	Share Capital	Capital reserve	Revenue reserve	Total
	£	£	£	£
Balance at 1 April 2023	22	67	13,976,622	13,976,711
Surplus / (deficit) for the year				
Other comprehensive income			906,011	906,011
Transfers between reserves	(6)	6		-
Issue of share capital	1	-		1
Balance at 31 March 2024	17	73	14,882,633	14,882,723

The notes on pages 20 to 33 form part of these financial statements.

Statement of Financial Position

As at 31 March 2024

	Notes	2024 £	2023 £
Fixed assets			
Housing properties	11	36,030,293	31,937,841
Other tangible fixed assets	13	665,076	571,541
		36,695,369	32,509,382
Current assets			
Trade and other debtors	14	8,152,332	1,463,252
Cash and cash equivalents		1,776,251	1,852,649
		9,928,583	3,315,901
Less: Creditors: amounts falling due within one year	15	(11,138,338)	(2,573,924)
Net current assets / liabilities		(1,209,755)	741,977
Total assets less current liabilities		35,485,614	33,251,359
Creditors: amounts falling due after more than one year	15	(20,602,891)	(19,274,648)
Total net assets		14,882,723	13,976,711
Reserves			
Share capital	19	17	22
Revenue reserve		14,882,633	13,976,622
Capital reserve	20	73	67
Total reserves		14,882,723	13,976,711

These financial statements were approved by the Board of Management and authorised for issue on 26th September 2024 and signed on its behalf by:



Mr John Glass
Chairman



Ms Irene Kingston
Secretary



Mr Kieran Dempsey
Vice Chair

The notes on pages 20 to 33 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024 £	2023 £
Net cash inflow / outflow from operating activities	A	1,492,912	469,949
Returns on investments and servicing of finance	B	(39,332)	(32,041)
Capital expenditure and financial investment	B	(4,013,233)	(2,163,514)
Cash inflow / outflow before use of liquid resources and financing		(2,559,653)	(1,725,606)
Financing	B	2,483,255	(30,843)
		(76,398)	(1,756,449)
Reconciliation of net cash flow			
Cash at 1 April		1,852,649	3,609,098
Increase / decrease in cash in period		(76,398)	(1,756,449)
Cash at 31 March		<u>1,776,251</u>	<u>1,852,649</u>

The notes on pages 20 to 33 form part of these financial statements.

Notes to Statement of Cash Flows

For the year ended 31 March 2024

A. Reconciliation of operating surplus / (deficit) to operating cashflows

	2024	2023
	£	£
Operating surplus / deficit	978,245	528,397
Depreciation	1,826,565	1,617,738
Amortisation of grant	(866,633)	(843,533)
Movements in:		
Rent arrears	(27,383)	(7,388)
Other debtors	(41,979)	(760,995)
Creditors	(375,903)	(64,270)
Net cash inflow / outflow from operating activities	1,492,912	469,949

B. Analysis of cash flows for headings netted in the cash flow statement

	2024	2023
	£	£
Returns on investment and servicing of finance		
Interest received	17,806	20,476
Interest paid	(8,216)	(2,612)
Bank charges	(48,922)	(49,905)
Net cash inflow / (outflow) for returns on investment and servicing of finance	(39,332)	(32,041)
Capital expenditure and financial investment		
Other fixed assets	(177,037)	(118,456)
Housing, land and buildings	(5,728,683)	(2,718,983)
Capital grant received	1,892,487	673,925
Proceeds from sale of tangible fixed assets	-	-
Net cash inflow / (outflow) for capital expenditure and financial investment	(4,013,233)	(2,163,514)
Financing		
Loan principal drawdown	3,000,000	-
Loan principal repayments	(516,745)	30,843
Net cash inflow / (outflow) from financing	2,483,255	30,843

Notes to Statement of Cash Flows (cont'd)

For the year ended 31 March 2024

C. Analysis of changes in net funds

	At 01/04/23 £	Cashflows £	Other Changes £	At 31/03/24 £
Cash in hand and at bank	1,852,649	(76,398)	-	1,776,251
Bank Loans	(22,300)	(2,483,255)	-	(2,505,555)
	<u>1,830,349</u>	<u>(2,559,653)</u>	<u>-</u>	<u>(729,304)</u>

Notes to the financial statements

1. Legal status

Alpha Housing (Northern Ireland) Ltd is a housing association registered in Northern Ireland in the United Kingdom under the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly known as the Industrial and Provident Societies Act (Northern Ireland) 1969). The registered office of the Association is Alpha House, 6 Edgewater Road, Belfast, BT3 9JQ.

2. Accounting Policies

2.1 Basis of accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice ("SORP") for Registered Social Housing Providers.

The financial statements are presented in Sterling (£), which is the functional currency of the Association.

2.2 Revenue recognition

Revenue is recognised when the Association has entitlement to the funds and it is probable that the income will be received and the amount is reliably measured.

Turnover includes rental and service charge income, rates receivable and residential charges, net of voids, and release of Social Housing Grants.

Rental income for each rental period (rent week) is recognised in full on the first day of the rent week i.e. when the rent falls due.

2.3 Government and other grants

Social housing grant (SHG) or Housing Association Grant (HAG) is receivable from the Northern Ireland Housing Executive (NIHE) and is recognised in income over the useful life of the housing property structure under the accruals model. SHG or HAG due is included as a current asset. SHG or HAG received in advance is included as a liability.

SHG or HAG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

SHG or HAG released on sale of a property may be repayable but is normally available to be recycled and is credited to the Disposal Proceeds Fund and included in the Statement of Financial Position within Creditors.

2.4 Tangible fixed assets

Housing properties

Housing stock are properties held for the provision of social housing or to otherwise provide social benefit and are accounted for within tangible fixed assets. Housing properties are principally available for rent and are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Depreciation of Housing properties

The Association separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful life.

The Association depreciates the major components of its housing properties using the following useful lives:

Land	- Not depreciated
Structure/main fabric	- 60 years
Roof	- 45 years
Bathroom	- 30 years
Mechanical systems	- 30 years
Electrics	- 30 years
Windows and doors	- 25 years
Kitchen	- 20 years
Lifts	- 20 years
Primary heating unit	- 15 years
Fire alarm system	- 15 years
Warden call system	- 10 years
Adaptations	- 10 years

Depreciation of other tangible fixed assets

For other tangible fixed assets, depreciation is charged on a straight-line basis over the expected useful lives of the assets to write off the cost, less estimated residual values over the following expected lives:

Leasehold building	- 60 years
Furniture and equipment	- Between 3 and 10 years
Motor vehicles	- 4 years

2.5 Impairment

Housing properties are assessed annually for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where the carrying amount of an asset is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount, this is likely to be the fair value in use of the asset based on its service potential. The resulting impairment loss is recognised as expenditure in income and expenditure. Where an asset is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less costs to sell.

Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

2.6 Employee benefits

Defined Contribution Pension

The Association operates a defined contribution scheme for certain employees. A defined contribution plan is a pension plan under which the Association pays fixed contributions into a separate entity. Once the contributions have been paid the Association has no further payment obligations.

The contributions are recognised as an expense when they are due. Amounts not paid are included as accruals in the Statement of Financial Position. The assets of the plan are held separately from the Association in independently administered funds.

2.7 Tenants' Services Fund

For certain schemes the Association is required to charge to the tenants an additional amount to fund the cost of common facilities. Annual surpluses or deficits are transferred to the Tenants' Services Fund to equalise the financial position over the lifetime of the scheme.

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

2.9 Income tax

The Association is accepted as a charity by the HMRC. Income and capital gains of the Association are generally exempt from tax if applied for charitable purposes.

2.10 Value Added Tax

The Association is not registered for VAT. All of its income, including rental receipts, is exempt for VAT purposes.

2.11 Financial instruments

The Association only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.12 Judgements in applying accounting policies and key sources of estimation uncertainty

No judgements have been made in the process of applying the above accounting policies (apart from those involving estimates). There were no key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.13 Going concern

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

3. Turnover, Operating costs and operating surplus

	Operating Turnover	2024 £ Operating Costs	Operating Surplus/ (deficit)	2023 £ Operating Surplus/ (deficit)
Social Housing Activities (Note 4)	7,092,239	6,113,994	978,245	589,338
Non-Social Housing Activities (Note 5)	154,524	154,524	-	(60,941)
	<u>7,246,763</u>	<u>6,268,518</u>	<u>978,245</u>	<u>528,397</u>

Alpha Housing (Northern Ireland) Ltd**Year Ended 31 March 2024****4. Turnover, operating costs and operating surplus/(deficit) from social housing activities**

	2024 £			2023 £
	General	Sheltered	Total	Total
Operating Income				
Rent Receivable	457,277	3,732,292	4,189,569	3,768,130
Service Charges Receivable	20,117	1,020,431	1,040,548	951,096
Rates Receivable	59,204	481,691	540,895	502,115
Support Charges Receivable - Supporting People	-	315,806	315,806	298,508
Support Charges Receivable - Tenants	-	150,603	150,603	148,031
Direct Emergency Funding – Covid 19	-	-	-	2,289
Income from SHG/HAG	66,872	760,058	826,930	801,913
Income from Other Grants	1,669	133,909	135,578	99,350
Less: Voids	(1,296)	(106,394)	(107,690)	(147,047)
Total Social Housing Income	603,843	6,488,396	7,092,239	6,424,385
Operating Costs				
Service Costs	21,963	1,155,285	1,177,248	1,031,798
Support Costs	-	531,671	531,671	508,794
Support Costs – Covid 19	-	-	-	7,227
Tenants Support	91	24,423	24,514	16,103
Management Costs	88,234	866,968	955,202	1,017,637
Rates Payable	59,204	479,900	539,104	505,554
Maintenance Administration costs	13,928	179,217	193,145	188,715
Planned & Cyclical Maintenance	5,486	237,376	242,862	350,035
Reactive Maintenance	65,802	729,919	795,721	698,551
Major Repairs (not capitalised)	5,124	49,762	54,886	77,078
Depreciation of Housing Properties	153,674	1,589,389	1,743,063	1,527,357
Other Depreciation	56	13,172	13,228	13,765
Transfer to/(from) Tenants' Services Fund	2,028	(158,678)	(156,650)	(107,567)
Total Social Housing Expenditure	415,590	5,698,404	6,113,994	5,835,047
Operating surplus/(deficit) on social housing	188,253	789,992	978,245	589,338

4. Turnover, operating costs and operating surplus / (deficit) from social housing activities (cont'd)

DfC Allowances	2024	2023
	£	£
Management allowances	34,056	34,056
Management costs	(88,234)	(91,063)
Surplus/ (deficit)	(54,178)	(57,007)
Maintenance allowances	39,904	39,904
Planned and cyclical maintenance	(5,486)	(8,515)
Reactive maintenance	(65,802)	(54,142)
Maintenance administration	(13,928)	(12,021)
Surplus/ (deficit)	(45,312)	(34,774)

Technical & Non-Technical Income

	2024	2023
	£	£
Technical	3,810,686	3,498,295
Non-Technical	2,319,045	2,024,828
Total	6,129,731	5,523,123

5. Turnover, operating costs and operating surplus/(deficit) from non-social housing activities

	2024	2023
	£	£
Operating Income		
Development	154,524	176,473
Total Non-Social Housing Income	154,524	176,473
Operating Costs		
Development Costs	154,524	237,414
Total Non-Social Housing Expenditure	154,524	237,414
Operating surplus/(deficit) on non-social housing	0	(60,941)

6. Surplus on ordinary activities

Surplus on ordinary activities is stated after charging / (crediting):

	2024	2023
	£	£
Depreciation – owned tangible fixed assets	1,826,565	1,617,738
Amortisation of grant / Release of capital grant	(866,633)	(843,533)
Auditor's remuneration		
- External audit of these financial statements	14,400	14,400
- Internal audit	12,492	10,710
	12,492	10,710

7. Interest payable

	2024	2023
	£	£
Bank loans	7,390	-
Other Loans	826	2,612
Total	8,216	2,612

8. Employee information

Average monthly number of employees during the financial year expressed as full-time equivalents is as follows:

	2024	2023
	No.	No.
Administration	18	19
Housing, support and care	25	26
Total	43	45

<u>Staff costs</u>	2024	2023
	£	£
Wages and salaries	1,551,898	1,451,635
Social security costs	119,641	108,684
Pension costs	134,739	121,136
Total	1,806,278	1,681,455

The remuneration, including benefits in kind, of the management team of the Association during the year was:

	2024	2023
	£	£
Aggregate emoluments	380,182	369,152
Pension Contributions	45,384	39,952
Total	425,566	409,104

8. Employee information (cont'd)

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

	2024	2023
	£	£
Aggregate emoluments	96,251	90,151
Pension Contributions	16,830	15,802
	<u>113,081</u>	<u>105,953</u>

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

	2024	2023
	No.	No.
110,000-115,000	1	
100,000-105,000		1
80,000- 85,000	1	
75,000 – 80,000	1	1
60,000 – 65,000	1	1
55,000 – 60,000		1
50,000 – 55,000	1	1
45,000 – 50,000		1
35,000 – 40,000	1	
5,000 – 10,000		1
0-5,000		
Total	<u>6</u>	<u>7</u>

9. Board of Management remuneration

There was no remuneration paid to the Board of Management of the Association (2023: £nil). The Board of Management members were paid out of pocket expenses totalling £nil (2023: £nil).

10. Finance costs

	2024	2023
	£	£
Finance costs	48,922	49,905
	<u>48,922</u>	<u>49,905</u>

11. Tangible fixed assets – Housing properties

	General Needs £	Sheltered Schemes £	2024 Total £	2023 Total £
Cost or valuation				
At 1 April 2023	8,754,174	50,917,399	59,671,573	57,112,017
Additions	4,415,121	1,453,296	5,868,417	2,949,438
Disposals	(17,657)	(484,614)	(502,271)	(389,882)
At 31 March 2024	13,151,638	51,886,081	65,037,719	59,671,573
Depreciation				
At 1 April 2023	2,033,031	25,700,701	27,733,732	26,596,257
Charge for the year	225,295	1,517,768	1,743,063	1,527,357
Eliminated on disposal	(17,006)	(452,363)	(469,369)	(389,882)
At 31 March 2024	2,241,320	26,766,106	29,007,426	27,733,732
Net book value				
At 31 March 2024	10,910,318	25,119,975	36,030,293	31,937,841
Net book amount comprises:				
Completed schemes	6,261,921	25,119,975	31,381,896	31,605,732
Properties under construction	4,648,397	-	4,648,397	332,109
	10,910,318	25,119,975	36,030,293	31,937,841

12. Housing Stock

Number of units owned and managed at year end

Self-Contained	2024 Properties	2023 Properties
General Needs Housing	86	86
Sheltered Housing	896	896
Total Units Owned and Managed at year end	982	982

13. Other tangible fixed assets

	Leasehold building	Furniture and equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 April 2023	665,988	508,166	78,784	1,252,938
Additions	-	177,037	-	177,037
Disposals	-	-	-	-
At 31 March 2024	<u>665,988</u>	<u>685,203</u>	<u>78,784</u>	<u>1,429,975</u>
Depreciation				
At 1 April 2023	230,342	420,309	30,746	681,397
Charge for the year	18,568	45,146	19,788	83,502
Eliminated on disposal	-	-	-	-
At 31 March 2024	<u>248,910</u>	<u>465,455</u>	<u>50,534</u>	<u>764,899</u>
Net book value				
At 31 March 2024	<u>417,078</u>	<u>219,748</u>	<u>28,250</u>	<u>665,076</u>
At 31 March 2023	<u>435,646</u>	<u>87,857</u>	<u>48,038</u>	<u>571,541</u>

14. Debtors

	2024	2023
	£	£
Gross rental debtors – Technical	108,558	91,019
Gross rental debtors – Non-Technical	21,338	14,038
Provision for bad debt	(7,654)	(10,197)
Net rental debtors	<u>122,242</u>	94,860
Housing Association Grant receivable	7,566,191	1,085,977
Prepayments and accrued income	267,777	212,876
Tenants' Services Fund	99,902	-
Other debtors	96,220	69,539
	<u>8,152,332</u>	<u>1,463,252</u>

15. Creditors

Amounts falling due within 1 year

	2024	2023
	£	£
Loans	2,505,554	22,300
Housing Association Grant in advance	6,452,219	780,604
Deferred Housing Association Grant	1,311,141	858,768
Accruals and deferred income	450,448	372,294
Rent and service charges received in advance	42,919	45,105
Tenants' Services Fund	-	56,747
Trade Creditors	301,293	381,980
Other creditors	74,764	56,126
Total	<u>11,138,338</u>	<u>2,573,924</u>

Amounts falling due after more than 1 year

	2024	2023
	£	£
Loans (see analysis below)	-	-
Deferred Housing Association Grant	<u>20,602,891</u>	<u>19,274,648</u>
	<u>20,602,891</u>	<u>19,274,648</u>

Loans

	2024	2023
	£	£
Within one year	2,505,554	22,300
Between one and two years	-	-
Between two and five years	-	-
In five years or more	-	-
	<u>2,505,554</u>	<u>22,300</u>

Loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments due as above.

16. Deferred grant

	2024	2023
	£	£
At 1 April 2023	20,133,400	20,023,304
Grant recognised in the year	2,647,238	953,649
Released to income in the year	(866,633)	(843,553)
At 31 March 2024	<u>21,914,005</u>	<u>20,133,400</u>

17. Capital commitments

At 31 March 2024 the Association had capital commitments as follows:

	2024	2023
	£	£
Contracted for but not provided in the financial statements	12,399,914	1,827,500
	<u>12,399,914</u>	<u>1,827,500</u>

18. Contingent Liabilities

The Association released Housing Association Grant to income during the year in accordance with the Housing SORP. The possibility of 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.

The Association has a potential liability that at the date of approval of the financial statements is considered unlikely to be realised. In the unlikely event that a liability is realised it is expected that any costs associated with this matter will be reimbursed by the insurers. While it is not possible to estimate the remaining liability to the Association, it will not be material.

19. Share capital

Ordinary shares of £1 each fully paid:

	2024	2023
	£	£
At 1 April 2023	22	20
Issued in the year		
Shares Issued	1	4
Transferred to capital reserve	(6)	(2)
At 31 March 2024	<u>17</u>	<u>22</u>

20. Capital reserves

	2024	2023
	£	£
At 1 April 2023	67	69
Shares Issued	-	(4)
Transferred from share capital	6	2
At 31 March 2024	<u>73</u>	<u>67</u>

21. Related party transactions

There were no related party transactions during the year.