Apex Housing Association Limited

Northern Ireland · Charity number 106107

Details

Known as	Apex
Status	Received
Registered	2017-04-24
Register	View on the Charity Commission for Northern Ireland register

Contact

Address	Apex Housing Association 10 Butcher Street Londonderry Bt48 6hl BT48 6HL
Phone	02871304800
Email	info@apex.org.uk
Website	www.apex.org.uk

Activities

Purposes: The association is formed for the benefit of the community. Its objects shall be to carry on for the benefit of the community: - the business of providing housing, accommodation, assistance to help house people and associated facilities and amenities for the prevention or relief of poverty or for those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage - any other charitable object that can be carried out by an Industrial and Provident Society registered as a housing association by the Department.

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,Community development,Community enterprise,Community transport,Relief of poverty

Who the charity helps: Addictions (drug/solvent/alcohol abuse),General public,Homelessness,Interface communities,Learning disabilities,Mental health,Older people,Physical disabilities,Tenants,Travellers,Voluntary and community sector,Youth (14-25 year olds)

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£77,858,396	£74,669,685	£-892,337,256	670

Trustees

Name	Role	Appointed
Mr Colm Mcquillan		
Mr Damian Mckenna		
Mr John Browne		
Mr Liam Hannaway		
Mr Stephen Drummond		
Mrs Alison Wallace		
Mrs Catherine Cooke		
Mrs Linda Watson		
Ms Alison Beckett		
Ms Claire O'neill		
Ms Patricia Hegarty		

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Apex Housing Association Limited

Northern Ireland - Charity number 106107

Accounts

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

	Note	2025 £	2024 £
Turnover	5	**77,447,422**	69,045,231
Operating costs	6	**(64,702,790)**	(59,274,854)
Gain/(loss) on disposal of housing properties		**(124,108)**	1,466,722
Operating surplus	7	**12,620,524**	11,237,099
Surplus/(deficit) arising from disposals of fixed assets		**93,501**	104,799
Interest receivable and similar income	9	**267,472**	482,981
Interest payable and similar expenses	10	**(9,675,870)**	(8,890,469)
Transfer to disposal proceeds fund	20	**(166,917)**	(1,478,109)
Other finance costs	11	**50,000**	545,000
Surplus/(Deficit) for the financial year		**3,188,710**	2,001,301
Transfer to designated reserves		**(18,000)**	(12,000)
Actuarial (loss)/gain in respect of pension schemes	24	**7,448,000**	4,163,000
Unrecognised Asset in respect of pension schemes	24	**(8,688,000)**	(16,429,000)
Total comprehensive income for the year		**1,930,710**	(10,276,699)

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/(Deficit) for the financial year		**3,188,710**	2,001,301
Movement in designated reserve		**(18,000)**	(12,000)
Movement in called up share capital		**10**	1
Actuarial (loss)/gain in respect of pension schemes	24	**7,448,000**	4,163,000
Unrecognised Asset in respect of pension schemes	24	**(8,688,000)**	(16,429,000)
Net addition to capital and reserves		**1,930,720**	(10,276,698)
Opening total capital and reserves		**35,795,957**	46,072,655
Closing total capital and reserves		**37,726,677**	35,795,957

The notes on pages 23 to 53 form an integral part of these financial statements.

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

	Note	2025 £	2024 £
Turnover	5	**71,889,358**	63,810,056
Operating costs		**(60,098,604)**	(55,187,883)
Gain/(loss) on disposal of housing properties		**(124,108)**	1,402,290
Operating surplus		**11,666,646**	10,024,463
Surplus arising from disposals of fixed assets		**93,501**	104,799
Interest receivable and similar income		**233,158**	468,360
Interest payable and similar charges		**(8,914,509)**	(8,083,006)
Transfer to disposal proceeds fund	20	**(166,917)**	(1,478,109)
Other finance costs		**50,000**	545,000
Surplus/(deficit) for the financial year		**2,961,879**	1,581,507
Transfer to designated reserves		**(18,000)**	(12,000)
Actuarial (loss)/gain in respect of pension schemes	24	**6,619,000**	3,917,000
Unrecognised Asset in respect of pension schemes		**(7,859,000)**	(16,124,000)
Total comprehensive income/(deficit) for the year		**1,703,879**	(10,637,493)

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 for the financial year		**2,961,879**	1,581,507
Movement in called up share capital		**4**	-
Actuarial (loss)/gain in respect of pension schemes	24	**6,619,000**	3,917,000
Unrecognised Asset in respect of pension schemes		**(7,859,000)**	(16,124,000)
Net addition to capital and reserves		**1,721,883**	(10,625,493)
Movement in designated reserve		**(18,000)**	(12,000)
Opening total capital and reserves		**19,491,394**	30,128,887
Closing total capital and reserves		**21,195,277**	19,491,394

The notes on pages 23 to 53 form an integral part of these financial statements.

Consolidated statement of financial position as at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Housing properties - depreciated cost	12	**896,791,290**	853,120,086
Other tangible fixed assets	13	**11,181,579**	10,099,132
		907,972,869	863,219,218
Current assets			
Stock	15	**195,360**	243,946
Debtors	16	**17,200,168**	16,106,122
Investments	17	**3,719,534**	23,577,481
Cash at bank and in hand		**976,002**	1,502,944
		22,091,064	41,430,493
Creditors: amounts falling due within one year	18	**(71,917,481)**	(97,425,999)
Net current assets/(liabilities)		**(49,826,417)**	(55,995,506)
Total assets less current liabilities		**858,146,452**	807,223,712
Creditors: amounts falling due after more than one year	19	**(820,419,775)**	(771,427,755)
Pension asset / (liability)	24	**-**	-
Net assets		**37,726,677**	35,795,957
Capital and reserves			
Called up share capital	25	**39**	29
Capital reserve		**103**	103
Supporting People reserves	27	**-**	-
Common fund	28	**22,000**	20,000
Revenue reserve		**37,704,535**	35,775,825
Total funds		**37,726,677**	35,795,957

The notes on pages 23 to 53 form an integral part of these financial statements.

The financial statements on pages 18 to 53 were approved by the Board of Management on 24th September 2025 and were signed on its behalf by:

D Mc Kenna
Treasurer

P Caldwell
Chairperson

S McCallion
Secretary

Registered number: IP 125

Association statement of financial position as at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Housing properties - depreciated cost	12	**830,929,400**	787,521,728
Other tangible fixed assets	13	**9,233,503**	8,097,257
Investments	14	**2**	2
		840,162,905	795,618,987
Current assets			
Stock	15	**195,360**	243,946
Debtors	16	**16,927,490**	15,844,046
Investments	17	**3,719,534**	23,577,481
Cash at bank and in hand		**221,933**	199,353
		21,064,317	39,864,826
Creditors: amounts falling due within one year	18	**(65,583,764)**	(94,457,635)
Net current assets/(liabilities)		**(44,519,447)**	(54,592,809)
Total assets less current liabilities		**795,643,458**	741,026,178
Creditors: amounts falling due after more than one year	19	**(774,448,181)**	(721,534,784)
Pension asset / (liability)	24	**-**	-
Net assets		**21,195,277**	19,491,394
Capital and reserves			
Called up share capital	25	**33**	29
Capital reserve	26	**7**	7
Supporting People reserves	27	-	-
Common fund	28	**22,000**	20,000
Revenue reserve		**21,173,237**	19,471,358
Total funds		**21,195,277**	19,491,394

The notes on pages 23 to 53 form an integral part of these financial statements.

The financial statements on pages 18 to 53 were approved by the Board of Management on 24th September 2025 and were signed on its behalf by:

D Mc Kenna
Treasurer

P Caldwell
Chairperson

S McCallion
Secretary

Registered number: IP 125

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

	Note	2025 £	2024 £
Net cash from operating activities	31	**18,302,000**	13,828,545
Cash flow from investing activities			
Payments to purchase and develop housing properties		**(58,979,746)**	(68,299,248)
Receipts of Housing Association Grant		**5,055,042**	51,980,453
Receipts of other grants		**(23,400)**	431,400
Purchases of other tangible fixed assets		**(1,472,269)**	(4,649)
Receipts from disposal of housing properties		**201,053**	(1,713,491)
Interest received		**267,472**	482,980
Net cash generated from/(used in) investing activities		**(54,951,848)**	(17,122,555)
Cash flows from financing activities			
Repayment of bank loans		**(34,159,310)**	(24,118,506)
Loan advances		**60,050,139**	36,410,754
Interest paid		**(9,625,870)**	(10,008,468)
Net cash generated from financing activities		**16,264,959**	2,283,780
Net increase in cash and cash equivalents		**(20,384,889)**	(1,010,230)
Cash and cash equivalents at the beginning of the year		**25,080,425**	26,090,655
Cash and cash equivalents at the end of the year	31	**4,695,536**	25,080,425

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 10 Butcher Street, Londonderry, BT48 6HL.

2 Statement of compliance

These financial statements of Apex 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, the Charities Act (Northern Ireland) 2008 and the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.

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 significant accounting policies adopted by the group and association are as follows:

Basis of preparation of financial statements

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and 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 and group statement of financial position included within the financial statements of the group and its subsidiary undertakings are 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.

Going concern

The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The Board considered the new financial plan for 2025/26 and beyond at their meeting held on 8th September 2025. This plan included various assumptions and stress-testing around a range of scenarios and considered any mitigations that may need to be put in place depending on the outputs of each scenario. For this reason, they continue to adopt the going concern basis in preparing the financial statements and are confident that the Group will be a going concern for at least 12 months from the date of this report.

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

3 Summary of significant accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the group and association and value added taxes.

The group and association base 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 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 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 service is received.

ii) Multi-employer pension plan

The Association operates a defined benefit scheme through the Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC). The assets of NILGOSC are held separately from those of the Association. The Association 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 benefit pension scheme arising from employee service in the year is charged to operating surplus. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance costs. Actuarial gains and losses are recognised in the statement of total recognised surpluses and deficits.

iii) 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 group 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.

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

3 Summary of significant accounting policies (continued)

All new employees joining Apex Housing Association Limited are not eligible to join the NILGOSC scheme except in the case where they are already active members at the time of becoming an Apex employee. All other new employees join the Social Housing Pension Scheme Defined Contribution (SHPS DC).

SHPS DC is a defined contribution workplace pension scheme administered by The Pensions Trust and is the pension vehicle provided by the Association under auto-enrolment legislation. Each employee holds a separate pension plan with The Pensions Trust to which the Association contributes 6% of pensionable pay with the employee contributing a minimum of 4%. The employee is responsible for any investment decisions from the various investment options provided by The Pensions Trust. The Association's liability is limited to the above employer contribution.

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 - acquired by the Association

Other housing properties are stated as cost which is purchase price together with any incidental costs of acquisition. These properties are effectively purchased concurrently by the Association and participants and so are disclosed in fixed assets at the cost to the Association with the participants' net investment also disclosed in the housing properties note to the accounts.

The initial cost of the houses is not split between current and fixed assets since the Association and the participant effectively purchase their respective shares simultaneously. The circumstances of this type of transaction means that no gain nor loss will ever be made by the Association on first tranche sales and so the proceeds and costs are not shown in turnover or cost of sales. This allows the Association to present a true and fair view of the commercial reality behind such a co-ownership scenario.

Other housing properties - developed by the Association

For housing developed by the Association to provide a supply of affordable homes sales proceeds are accounted for in the statement of comprehensive income with proceeds recorded in turnover and costs in cost of sales in accordance with SORP. Unsold properties at the year-end are included in stock and are valued at the lower of cost (cost of land together with associated costs of development) and net realisable value. For housing developed for outright sale the proceeds less the costs of developing the property are accounted for in the statement of comprehensive income and disclosed within the surplus or deficit arising from disposals of housing property.

Other fixed assets

Other fixed assets are stated at cost.

Housing Association Grant and other grants

Housing Association Grant and other grants received as a contribution towards the capital costs of housing properties of the Association are recognised in income over the useful life of the housing property structure and its individual components. 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.

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

3 Summary of significant accounting policies (continued)

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	100 years
Roof structure and coverings	40 - 80 years
Windows and external doors	30 years
Heating system boilers	15 years
Kitchens	20 years
Bathrooms	30 years
Mechanical systems (heating, ventilation, plumbing)	40 years
Electrics	40 years
Lift	30 years

Housing assets are depreciated in the year of acquisition, or in the case of a larger project, from the year 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 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%
Motor vehicles	-	25%
Plant and machinery	-	25%
Office furniture and equipment	-	25%
Computer equipment	-	25%

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.

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

3 Summary of significant accounting policies (continued)

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.

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 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.

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.

Provisions and contingent liabilities

i) Provisions

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

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

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

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 group'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 (continued)

3 Summary of significant accounting policies (continued)

Financial instruments

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

i) Financial assets

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

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.

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, 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 used by the Association to purchase or develop additional properties for letting rather than claiming housing association grant on same. On acquisition of a property an amount equal to the acquisition cost (Total Cost Indicator from 1 June 2008) is removed from the fund and reclassified as recycled housing association grant. With effect from 1 October 2006 notional interest on the balance is included in the fund.

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

3 Summary of significant accounting policies (continued)

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.

Revenue reserves

The group and association's policy is to retain a level of revenue reserves, which matches its needs at the current time and in the foreseeable future. The reserves required are sufficient to meeting committed running costs for a period equivalent to three months budgeted future expenditure. Annually the Board of Management review the adequacy of this period amending it, where necessary, to reflect changing needs.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements 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 judgements in applying the entity's accounting policies

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

(b) Key accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the group financial statements. Key estimates and assumptions that have been made in the preparation of these financial statements as follows:

(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 12 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 Turnover

Turnover relates to the Group and Association's main activity which is carried out in the United Kingdom. Turnover represents rental and service charge income and residential charges for special needs schemes, net of voids. It also includes income arising from other rental subsidies, services provided to other Housing Associations, supporting people legacy funding received for the provision of learning disability care, income from other sundry ancillary services and the amortisation of Housing Association Grant.

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

6 Operating costs

Group	2025 £	2024 £
Direct property management costs	**51,748,264**	47,247,037
Administrative expenses	**12,954,526**	12,027,817
	64,702,790	59,274,854

7 Operating surplus

Group	2025 £	2024 £
Operating surplus is stated after charging/(crediting):		
Staff costs (note 8)	**24,123,695**	22,080,980
Depreciation of tangible fixed assets - owned assets	**11,822,172**	11,585,719
Release of capital grant	**(7,629,990)**	(7,024,119)
Operating lease charges	**47,335**	63,712
Fees payable to the group's auditors for the audit of the financial statements	**49,200**	38,493
Fees payable to the group's auditors for tax services	**1,500**	1,500

8 Employee information

	Group		Association	
	2025	2024	**2025**	2024
Average staff numbers	**Number**	Number	**Number**	Number
Administration	**222**	203	**197**	181
Sheltered schemes	**18**	18	**18**	18
Supported living schemes	**431**	422	**431**	422
Gardeners and bus drivers	**10**	15	**10**	15
	681	658	**656**	636

	2025	2024	**2025**	2024
	£	£	**£**	£
Staff costs				
Wages and salaries	**20,289,926**	18,532,748	**19,343,167**	17,707,944
Social security costs	**1,953,400**	1,764,158	**1,856,530**	1,682,126
Other pension costs	**1,880,369**	1,784,074	**1,690,355**	1,608,978
	24,123,695	22,080,980	**22,890,052**	20,999,048

Directors' emoluments are disclosed in note 30. There were no redundancy payments in either 2025 or 2024.

9 Interest receivable and similar income

Group	2025 £	2024 £
Bank interest receivable	**267,472**	482,981

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

10 Interest payable and similar expenses

Group	2025 £	2024 £
Interest charge before capitalisation	**12,296,669**	10,223,134
Development interest capitalised	**(2,620,799)**	(1,332,665)
Interest charge after capitalisation	**9,675,870**	8,890,469

Development interest is capitalised at a weighted average cost of borrowing of 3.46% (2024: 3.31%).

11 Other finance costs

Group	2025 £	2024 £
Other finance losses	**(50,000)**	(545,000)

12 Housing properties – depreciated cost

Group	2025 £	2024 £
Cost		
At 1 April	**981,189,653**	916,240,623
Additions	**63,001,833**	70,439,474
Disposals	**(9,642,925)**	(5,490,444)
At 31 March	**1,034,548,561**	981,189,653
Accumulated depreciation		
At 1 April	**128,069,567**	118,918,843
Charge for year	**11,429,845**	11,267,351
Disposals	**(1,742,141)**	(2,116,627)
At 31 March	**137,757,271**	128,069,567
Net book amount	**896,791,290**	853,120,086
Net book amount comprises:		
Completed schemes	**803,776,994**	693,805,799
Land held for development	**40,955,733**	31,131,401
Properties under construction	**52,058,563**	128,182,886
At 31 March	**896,791,290**	853,120,086
Net book amount comprises:		
Freehold properties	**894,473,764**	850,859,858
Long leasehold properties	**2,317,526**	2,260,228
At 31 March	**896,791,290**	853,120,086

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

12 Housing properties – depreciated cost (continued)

Group	2025 £	2024 £
Housing Association and other grants		
At 1 April	**571,737,061**	553,577,384
Additions	**18,199,484**	21,401,619
Disposals	**(4,620,060)**	(3,241,942)
At 31 March	**585,316,485**	571,737,061
Accumulated amortisation		
At 1 April	**84,955,593**	79,570,925
Charge for year	**7,035,302**	7,024,119
Disposals	**(1,296,340)**	(1,639,451)
At 31 March	**90,694,555**	84,955,593
Net book amount		
At 31 March	**494,621,930**	486,781,468

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

12 Housing properties – depreciated cost (continued)

Association	2025 £	2024 £
Cost		
At 1 April	**901,305,922**	836,991,621
Additions	**61,611,005**	69,590,949
Disposals	**(9,504,265)**	(5,276,648)
At 31 March	**953,412,662**	901,305,922
Accumulated depreciation		
At 1 April	**113,784,194**	105,511,838
Charge for year	**10,327,276**	10,199,761
Disposals	**(1,628,208)**	(1,927,405)
At 31 March	**122,483,262**	113,784,194
Net book amount	**830,929,400**	787,521,728
Net book amount comprises:		
Completed schemes	**737,915,104**	628,207,441
Land held for development	**40,955,733**	31,131,401
Properties under construction	**52,058,563**	128,182,886
At 31 March	**830,929,400**	787,521,728
Net book amount comprises:		
Freehold properties	**828,611,874**	785,261,500
Long leasehold properties	**2,317,526**	2,260,228
At 31 March	**830,929,400**	787,521,728

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

12 Housing properties – depreciated cost (continued)

Association	2025 £	2024 £
Housing Association and other grants		
At 1 April	**527,565,124**	509,376,908
Additions	**17,992,670**	21,250,437
Disposals	**(4,503,187)**	(3,062,221)
At 31 March	**541,054,607**	527,565,124
Accumulated amortisation		
At 1 April	**74,444,702**	69,542,973
Charge for year	**6,374,885**	6,369,673
Disposals	**(1,193,910)**	(1,467,944)
At 31 March	**79,625,677**	74,444,702
Net book amount		
At 31 March	**461,428,930**	453,120,422

13 Other tangible fixed assets

Group	Other land and buildings £	Plant and machinery £	Motor vehicles £	Office furniture and equipment £	Computer equipment £	Total £
Cost						
At 1 April 2024	12,939,012	168,476	24,000	420,647	1,599,026	15,151,161
Additions	1,160,609	-	246,408	46,615	21,700	1,475,332
Disposals	(661)	-	-	-	-	(661)
At 31 March 2025	**14,098,960**	**168,476**	**270,408**	**467,262**	**1,620,726**	**16,625,832**
Accumulated depreciation						
At 1 April 2024	2,940,063	163,662	24,000	329,559	1,594,745	5,052,029
Charge for year	284,729	2,401	61,602	35,566	8,031	392,329
Disposals	(105)	-	-	-	-	(105)
At 31 March 2025	**3,224,687**	**166,063**	**85,602**	**365,125**	**1,602,776**	**5,444,253**
Net book amount						
At 31 March 2025	**10,874,273**	**2,413**	**184,806**	**102,137**	**17,950**	**11,181,579**
At 31 March 2024	9,998,949	4,814	-	91,088	4,281	10,099,132

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

13 Other tangible fixed assets (continued)

Association	Other land and buildings £	Plant and machinery £	Motor vehicles £	Office furniture and equipment £	Computer equipment £	Total £
Cost						
At 1 April 2024	10,797,026	168,476	24,000	253,067	1,599,026	12,841,595
Additions	1,160,609	-	246,408	36,861	21,700	1,465,578
Disposals	(662)	-	-	-	-	(662)
At 31 March 2025	**11,956,973**	**168,476**	**270,408**	**289,928**	**1,620,726**	**14,306,511**
Accumulated depreciation						
At 1 April 2024	2,715,842	163,662	24,000	246,089	1,594,745	4,744,338
Charge for year	241,903	2,401	61,602	14,839	8,031	328,776
Disposals	(106)	-	-	-	-	(106)
At 31 March 2025	**2,957,639**	**166,063**	**85,602**	**260,928**	**1,602,776**	**5,073,008**
Net book amount						
At 31 March 2025	**8,999,334**	**2,413**	**184,806**	**29,000**	**17,950**	**9,233,503**
At 31 March 2024	8,081,184	4,814	-	6,978	4,281	8,097,257

14 Investments

Association	2025 Subsidiary undertaking £	2024 Subsidiary undertaking £
Cost	**27**	27

Details of the Association's subsidiaries are as follows:

Name	Country of incorporation	Principal activity	%	Share ownership class
Fairbuild Homes (NI) Ltd	Northern Ireland	Construction Company	100	Ordinary shares of £1 each - £2
Newington Housing Association (1975) Limited	Northern Ireland	Housing Association	100	Ordinary shares of £1 each - £25

The Board believe that the carrying value of the investment is supported by the underlying net assets.

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

15 Stock

	Group		Association	
	2025	2024	**2025**	2024
	£	£	**£**	£
Oil stocks	**10,550**	16,710	**10,550**	16,710
Consumables	**184,810**	227,236	**184,810**	227,236
	195,360	243,946	**195,360**	243,946

16 Debtors

	Group		Association	
	2025	2024	**2025**	2024
	£	£	**£**	£
Rental Debtors Gross - Technical	**3,989,850**	2,802,704	**3,712,636**	2,581,007
Rental Debtors Gross - Non-technical	**1,032,705**	1,436,536	**918,415**	1,374,006
Provision for bad debts	**(281,020)**	(254,876)	**(104,872)**	(114,005)
Net rental (including rates, service charges) debtors	**4,741,535**	3,984,364	**4,526,179**	3,841,008
Amounts owed by subsidiary undertakings (note 37)	**-**	-	**46,641**	49,010
Amounts owed by related undertakings (note 37)	**4,979,060**	4,922,426	**4,979,060**	4,922,426
HAG Receivable	**1,112,949**	2,118,909	**1,112,949**	2,118,909
Other debtors	**2,620,625**	2,633,150	**2,590,787**	2,554,205
Prepayments and accrued income	**3,745,999**	2,447,273	**3,671,874**	2,358,488
	17,200,168	16,106,122	**16,927,490**	15,844,046

17 Current asset investments

	Group		Association	
	2025	2024	**2025**	2024
	£	£	**£**	£
Short term deposits	**3,719,534**	23,577,481	**3,719,534**	23,577,481

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

18 Creditors: amounts falling due within one year

	Group		Association	
	2025	2024	**2025**	2024
	£	£	**£**	£
Department for Communities loans (note 21)	**-**	8,514	**-**	8,514
Bank loans (note 22)	**18,313,417**	35,608,317	**14,838,741**	34,822,731
Bank overdraft	**3,667,725**	3,049,866	**3,667,725**	3,049,866
Other creditors	**478,602**	250,022	**211,946**	196,101
PAYE and other taxes	**492,162**	826,614	**492,162**	826,614
Rental and service charges received in advance	**733,559**	753,975	**733,559**	753,975
Trade creditors	**463**	42,818	**463**	42,818
Accruals and deferred income	**10,148,302**	6,090,370	**9,028,641**	5,455,163
Housing Association Grant in advance	**28,139,509**	37,679,822	**28,139,509**	37,679,822
TBUC grant	**2,244,839**	2,198,341	**2,244,839**	2,198,341
Disposal proceeds fund (note 20)	**802,491**	4,000,002	**(37,340)**	3,160,171
Deferred Housing Association Grant	**6,896,412**	6,917,338	**6,263,519**	6,263,519
	71,917,481	97,425,999	**65,583,764**	94,457,635

19 Creditors: amounts falling due after more than one year

	Group		Association	
	2025	2024	**2025**	2024
	£	£	**£**	£
Department for Communities loans (note 21)	**-**	-	**-**	-
Bank loans and overdrafts (note 22)	**167,141,072**	158,522,127	**153,729,583**	141,636,382
Other loans (note 22)	**164,000,003**	130,000,000	**164,000,003**	130,000,000
Disposal proceeds fund (note 20)	**-**	1,472,600	**-**	1,472,600
Other creditors	**974,224**	976,510	**974,224**	976,510
Deferred Housing Association Grant	**487,725,517**	479,864,130	**455,165,412**	446,856,903
Deferred income	**578,959**	592,388	**578,959**	592,389
	820,419,775	771,427,755	**774,448,181**	721,534,784

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

20 Transfer to disposal proceeds fund

	Group		Association	
	2025	2024	**2025**	2024
	£	£	**£**	£
At 1 April	**5,472,602**	8,996,520	**4,632,771**	8,154,661
DPF Expenditure	**(4,837,028)**	(5,002,027)	**(4,837,028)**	(5,000,000)
Proceeds from house sales	**166,917**	1,478,109	**166,917**	1,478,109
At 31 March	**802,491**	5,472,602	**(37,340)**	4,632,771

The association is required to spend amounts allocated to the DPF within 24 months and plans are in place to ensure this requirement is met.

21 Department for Communities - housing property loans

	Group		Association	
	2025	2024	**2025**	2024
	£	£	**£**	£
Due in under one year (note 18)	-	8,514	-	8,514
Due within one to two years	-	-	-	-
Due within two to five years	-	-	-	-
	-	8,514	-	8,514

Interest rates varied between 8.75% and 12.375%.

22 Bank loans and overdrafts

	Group		Association	
	2025	2024	**2025**	2024
	£	£	**£**	£
Due in under one year	**21,981,142**	38,658,183	**18,506,466**	37,872,597
Due within one to two years	**8,410,118**	11,812,010	**7,621,103**	8,337,337
Due within two to five years	**33,376,512**	27,721,551	**20,754,042**	23,191,365
Due after five years	**125,354,442**	118,988,566	**125,354,438**	110,107,680
	189,122,214	197,180,310	**172,236,049**	179,508,979

All loans bear interest at varying interest rates of between 1.24% and 6.38%. A rolling working capital facility is also currently in place. Maturity dates for all other loans range from September 2025 to December 2055.

Security

Bank debt from AIB, Barclay's Bank, Ulster Bank and European Investment Bank are secured by way of mortgages upon the deeds of the related properties financed by the loans and bear interest at fixed and variable rates.

Group and association	**2025**	2024
Other loans (THFC and PIC)	**£**	£
Due after five years (note 19)	**164,000,003**	130,000,000

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

22 Bank loans (continued)

Security

The THFC loan bears interest at a fixed rate of 6.35% on the capital sum borrowed (£10 million) payable at 6 monthly intervals for 30 years to 8 June 2039 after which it is repayable in full. The loan is secured by a fixed charge over various housing assets.

The THFC loan (2012) bears interest at a fixed rate of 5.20% on the capital sum borrowed (£20 million) payable at 6 monthly intervals for 30 years to 28 September 2042 after which it is repayable in full. The loan is secured by a fixed charge over various housing assets.

The PIC Senior Notes (£130 million) are secured by a fixed charge over various housing assets and this has an effective interest rate of 3.37%.

A facility of £30 million from Phoenix was agreed but undrawn at the balance sheet date. The Senior Notes will be secured by a fixed charge over various housing assets and will have an effective interest rate of 6.34%.

23 Financial instruments

The group has the following financial instruments:

Group	2025 £	2024 £
Financial assets that are debt instruments measured at amortised cost		
Rental debtor (note 16)	**3,989,850**	2,802,704
Other debtors (note 16)	**2,620,625**	2,633,150
Amounts owed from related undertakings	**4,979,060**	4,922,426
Financial liabilities measured at amortised cost		
DfC loans (note 21)	**-**	8,514
Bank loans and overdrafts (note 22)	**189,122,214**	197,180,310
Other loans (note 22)	**164,000,003**	130,000,000
Trade creditors (note 18)	**463**	42,818
Other creditors (note 18 and 19)	**4,500,156**	5,991,280
Accruals (note 18)	**10,148,302**	6,090,370

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

24 Pension commitments

The amount shown below is calculated to comply with the Financial Reporting Standard, the specific requirements of which differ from the basis on which pension liabilities are actuarially calculated for the purpose of the ongoing funding of the scheme. The Financial Reporting Standard requires:

(i) actuarial deficiencies to be recognised immediately as a "liability" in the financial statements rather than being spread forward over employees' remaining service lives;

(ii) the actuary, in valuing the scheme's liabilities, is required to use a bond yield as the discount rate for valuing future liabilities, rather than a rate that reflects the expected return on the scheme's particular asset portfolio, with the result of an apparent increase in the present value of future longer term liabilities.

Paragraph 28 of FRS102 also states that, "An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan" Following discussions with third party advisors, and given it is uncertain as to whether this surplus (calculated for Financial Reporting purposes) will be recoverable via reduced future contributions (calculated for pension funding purposes), Apex and Newington have not recognised any of this surplus in this years accounts.

The below is in relation to employees and ex-employees who are members of the NILGOSC pension scheme.

An Actuarial Valuation of the scheme was carried out as at 31 March 2022. The actuarial valuation for 31 March 2025 is now being carried out and will be reflected in the 2026 financial statements.

Included within the Group are 2 schemes, APEX Housing Association Limited ("Apex") and Newington Housing Association (1975) Limited ("Newington"). The closing surplus of each scheme has been shown below:

	Apex		Newington		Group	
	2025	2024	**2025**	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Total market value of assets	**55,122**	51,054	**4,055**	3,733	**59,177**	54,787
Unrecognised asset	**(26,039)**	(17,347)	**(1,134)**	(305)	**(27,173)**	(17,652)
Present value of scheme liabilities	**(29,083)**	(33,707)	**(2,921)**	(3,428)	**(32,004)**	(37,135)
Net pension asset / (liability)	-	-	-	-	-	-

Apex Housing Association Limited

The major assumptions used by the actuary were:

	2025	2024
Rate of increase in salaries	**3.00%**	3.25%
Rate of increase in pensions in payment	**2.50%**	2.60%
Discount rate	**5.80%**	4.80%
Inflation assumption	**2.50%**	2.60%

The mortality assumptions used were as follows:

		2025	2024
		Years	Years
Average expected future life at age 65 for	- male currently aged 65	**21.6**	**21.7**
	- female currently aged 65	**24.5**	**24.6**
	- male currently aged 45	**22.2**	**22.7**
	- female currently aged 45	**25.2**	**25.6**

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

24 Pension commitments (continued)

The fair value of the assets in the scheme were:

	2025 £'000	2024 £'000
Equities	**22,160**	20,269
Property	**5,512**	4,748
Bonds	**10,473**	10,006
Multi Asset Credit	**7,386**	6,637
Cash & Other	**9,591**	9,394
Total market value of assets	**55,122**	51,054
Unrecognised asset	**(26,039)**	(17,347)
Present value of scheme liabilities	**(29,083)**	(33,707)
Net pension asset/(liability)	**-**	-

Reconciliation of present value of scheme liabilities

	2025 £'000	2024 £'000
At 1 April	**33,707**	33,123
Service cost	**964**	1,029
Past service cost	**-**	-
Member contributions	**298**	309
Interest on scheme liabilities	**1,610**	1,550
Actuarial loss/(gain)	**(6,828)**	(1,676)
Benefits paid	**(668)**	(628)
At 31 March	**29,083**	33,707

Reconciliation of fair value of scheme assets

	2025 £'000	2024 £'000
At 1 April	**51,054**	44,835
Expected return on scheme assets	**2,493**	2,150
Actuarial gain/(loss)	**(209)**	2,241
Employer contributions	**2,154**	2,147
Member contributions	**298**	309
Benefits paid	**(668)**	(628)
At 31 March	**55,122**	51,054

Analysis of amounts charged to income and expenditure:

	2025 £'000	2024 £'000
Current service cost	**964**	1,029
Net interest on pension deficit	**(883)**	(600)
Interest on unrecognised asset	**833**	55
	914	484

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

24 Pension commitments (continued)

Amounts for current and previous five years:

	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets	**55,122**	51,054	44,835	46,713	42,970
Unrecognised asset	**(26,039)**	(17,347)	(1,168)	-	-
Present value of defined benefit obligation	**(29,083)**	(33,707)	(33,123)	(48,633)	(48,101)
Asset / (liability)	**-**	-	10,544	(1,920)	(5,131)

Newington Housing Association (1975) Limited

The major assumptions used by the actuary were:

	2025	2024
Rate of increase in salaries	**4.0%**	4.1%
Rate of increase in pensions in payment	**2.5%**	2.6%
Discount rate	**5.8%**	4.7%
Inflation assumption	**2.5%**	2.6%

The mortality assumptions used were as follows:

		2025	2024
		Years	Years
Average expected future life at age 65 for	- male currently aged 65	**21.6**	**21.7**
	- female currently aged 65	**24.5**	**24.6**
	- male currently aged 45	**22.2**	**22.7**
	- female currently aged 45	**25.2**	**25.6**

The assets in the scheme and the expected rates of return were:

	2025	2024
	£'000	£'000
Equities	**1,675**	1,482
Property	**385**	347
Bonds	**1,322**	1,217
Cash	**434**	463
Other	**239**	224
Total market value of assets	**4,055**	3,733
Present value of scheme liabilities	**(2,921)**	(3,428)
Net pension asset	**1,134**	305

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

24 Pension commitments (continued)

Reconciliation of present value of scheme liabilities	2025 £'000	2024 £'000
At 1 April	**3,428**	3,192
Service cost	**190**	175
Member contributions	**59**	48
Interest on scheme liabilities	**161**	147
Actuarial loss/(gain)	**(858)**	(79)
Benefits paid	**(59)**	(55)
At 31 March	**2,921**	3,428

Reconciliation of fair value of scheme assets	2025 £'000	2024 £'000
At 1 April	**3,733**	3,264
Expected return on scheme assets	**180**	154
Actuarial gain	**(36)**	168
Employer contributions	**178**	154
Member contributions	**59**	48
Benefits paid	**(59)**	(55)
At 31 March	**4,055**	3,733

Analysis of amounts charged/ (credited) to income and expenditure:

	2025 £'000	2024 £'000
Current service cost	**190**	175
Past service cost	**-**	-
Expected return on pension scheme assets	**(19)**	(154)
Interest on pension scheme liabilities	**14**	147
	185	168

Amounts for current and previous five years:

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Fair value of employer assets	**4,055**	3,733	3,264	3,154	2,926
Present value of defined benefit obligation	**(2,921)**	(3,428)	(3,192)	(4,371)	(4,255)
Unrecognised Asset	**(1,134)**	(305)			
Deficit	-	-	72	(1,217)	(1,329)

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

25 Called up share capital

Association	2025 £	2024 £
Ordinary shares of £1 each, allotted and fully paid		
At 31 March	**33**	29

26 Capital reserve

Association	2025 £	2024 £
At 31 March	**7**	7

27 Supporting people reserves

Association	2025 £	2024 £
At 1 April	-	-
Income	**4,466,358**	4,644,289
Expenses	**(7,574,996)**	(7,818,757)
Transfer from general reserves	**3,108,638**	3,174,468
At 31 March	-	-

This funding is restricted for use in providing housing related support services only.

28 Common fund

Association	2025 £	2024 £
At 1 April 2024 and **31 March 2025**	**22,000**	20,000

29 Capital commitments

Association	2025 £	2024 £
Capital commitments contracted for at the balance sheet date amounted to	**123,932,179**	**162,191,956**

30 Director emoluments

The remuneration of directors (defined as the Board and the Management Team of the Association) during the year was:

	2025 £	2024 £
Aggregate emoluments including benefits in kind	**766,351**	749,911
Pension contributions to money purchase schemes	**202,740**	197,801
	969,091	947,712

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

30 Director emoluments (continued)

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

	2025	2024
	£	£
Aggregate emoluments including benefits in kind	**139,105**	135,654
Pension contributions to money purchase schemes	**57,096**	55,704

The number of directors to whom emoluments were paid during the year fall within each of the following bands:

Salary Band:	2025 Number	2024 Number
£135,001 - £140,000	**1**	**1**
£110,000- £115,000	**1**	**-**
£105,001 - £110,000	**1**	**2**
£100,001 - £105,000	**3**	**3**
£95,001 - £100,000	**1**	**1**

Members of the Board serve in a voluntary capacity and none were in receipt of emoluments during the year. Expenses paid to board members during the year amounted to £2,020 (2024: £622).

31 Notes to cash flow statement

(a) Reconciliation of operating surplus to net cash inflow from operating activities	2025	2024
	£	£
Surplus for the financial year	3,188,710	2,001,301
Deficit arising from disposals of fixed assets	73,417	1,373,310
Interest receivable and similar income	(267,472)	(482,981)
Interest payable and similar expenses	9,575,870	7,800,469
Other finance costs	50,000	545,000
Operating surplus	12,620,525	11,237,099
Depreciation of tangible assets	11,822,174	11,585,721
Amortisation of housing association grant	(7,035,302)	(7,024,117)
Profit on disposal of tangible assets	(548,742)	(658,548)
Movement in debtors	(2,145,425)	(86,201)
Movement in creditors	3,540,184	(144,279)
Movement in inventories	48,586	58,868
Pension movement	-	(1,140,000)
Net cash inflow from operating activities	18,302,000	13,828,543

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

31 Notes to cash flow statement (continued)

(b) Analysis of net debt	1 April 2024 £	Cash Flows £	31 March 2025 £
Cash at bank and in hand (including cash investments)	25,080,425	(20,384,891)	**4,695,534**
Debt falling due within 1 year	(35,616,830)	13,635,688	**(21,981,142)**
Debt due after more than 1 year	(288,522,130)	(42,618,946)	**(331,141,076)**
	(324,138,960)	(28,983,258)	**(353,122,218)**
Net debt	(299,058,535)	(49,368,150)	**(348,426,685)**

32 Operating lease commitments

At the balance sheet date, the Association and group had a commitment to vehicles of £47,335 (2024: £88,423).

	2025 £	2024 £
Within one year	**24,602**	47,799
Between two to five years	**22,733**	40,624
Total	**47,335**	88,423

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

33 Housing Stock – association

Number of units owned on 31 March	2025	2024
General needs housing	**6,278**	6,046
Independent living/ housing for older people (including resident scheme co-ordinator)	**350**	350
Supported housing (including housing with care and nursing)	**559**	559
Total owned	**7,187**	6,955
Number of units managed by (but not owned) on 31 March		
General needs housing	**20**	20
Total units managed at 31 March	**20**	20
Total units owned and managed at 31 March	**7,207**	6,975

34 Contingent liabilities

The Association released Housing Association Grant (net of amortisation) of £2,969,966 (2024: £440,414) 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 £6,260,128 (2024: £3,290,162). The accumulated amount of Housing Association Grant amortised and recognised as income as at 31 March 2025 is £79,625,677 (2024: £74,444,702) (note 12). 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 Turnover, operating costs and operating surplus

Association	2025			2024		
	Operating turnover	**Operating costs**	**Operating surplus**	Operating turnover	Operating costs	Operating surplus
	£	**£**	**£**	£	£	£
Social Housing Activities	**68,303,357**	**(54,253,913)**	**14,049,444**	60,686,415	(49,611,497)	11,074,918
Non-Social Housing Activities	**3,586,001**	**(5,844,691)**	**(2,258,690)**	3,123,641	(5,576,386)	(2,452,745)
Total	**71,889,358**	**(60,098,604)**	**11,790,754**	63,810,056	(55,187,883)	8,622,173

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

35 Turnover, operating costs and operating surplus (continued)

	2025						
Association	General Needs Housing £	Independent Living Housing £	Housing with Care £	Supported Housing £	Total Social Housing Activities £	Other Income £	Total £
Income from Social Housing Lettings							
Rent receivable net of service charges	43,577,671	1,465,262	5,242,786	-	50,285,719	-	**50,285,719**
Service charges receivable `	618,310	728,922	1,803,429	-	3,150,661	-	**3,150,661**
Care charges	-	-	3,879,040	46,831	3,925,871	2,690,932	**6,616,803**
Heating charges	4,609	200,840	-	-	205,449	-	**205,449**
Support charges	-	145,699	4,808,305	-	4,954,004	2,069	**4,956,073**
Management charges	-	-	-	-	-	2,814	**2,814**
Misc. income	-	-	-	-	-	175,567	**175,567**
Commercial	-	-	-	-	-	119,931	**119,931**
Income from Housing Association Grant and House sales	6,000,672	134,109	235,829	-	6,370,610	594,688	**6,965,298**
Gross income from rents and service charges	**50,201,262**	**2,674,832**	**15,969,389**	**46,831**	**68,892,314**	**3,586,001**	**72,478,315**
Less voids	(279,863)	(21,327)	(287,767)	-	(588,957)	-	**(588,957)**
Net Income from rents and service charges	**49,921,399**	**2,653,505**	**15,681,622**	**46,831**	**68,303,357**	**3,586,001**	**71,889,358**

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

35 Turnover, operating costs and operating surplus (continued)

	2024						
Association	General Needs Housing £	Independent Living Housing £	Housing with Care £	Supported Housing £	Total Social Housing Activities £	Other Income £	Total £
Income from Social Housing Lettings							
Rent receivable net of service charges	37,616,061	1,338,136	4,743,467	-	43,697,664	-	**43,697,664**
Service charges receivable	473,457	669,047	1,634,365	-	2,776,869	-	**2,776,869**
Care charges	-	-	3,270,082	53,974	3,324,056	2,263,571	**5,587,627**
Heating charges	4,324	178,988	-	-	183,312	-	**183,312**
Support charges	-	138,971	4,730,784	-	4,869,755	-	**4,869,755**
Management charges	-	-	-	-	-	2,624	**2,624**
Misc. income	-	-	-	-	-	157,414	**157,414**
Commercial	-	-	-	-	-	109,800	**109,800**
Income from Housing Association Grant	5,995,296	134,226	236,365	-	6,365,887	590,232	**6,956,119**
Gross income from rents and service charges	**44,089,138**	**2,459,368**	**14,615,063**	**53,974**	**61,217,543**	**3,123,641**	**64,341,184**
Less voids	(199,115)	(20,485)	(311,528)	-	(531,128)	-	**(531,128)**
Net Income from rents and service charges	**43,890,023**	**2,438,883**	**14,303,535**	**53,974**	**60,686,415**	**3,123,641**	**63,810,056**

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

35 Turnover, operating costs and operating surplus (continued)

	2025						
Association	General Needs Housing £	Independent Living Housing £	Housing with Care £	Supported Housing £	Total Social Housing Activities £	Other Costs £	Total £
Operating Costs							
Services	(249,711)	(506,288)	(1,106,983)	-	(1,862,982)	(287,066)	**(2,150,048)**
Supporting People Costs	-	(154,527)	(8,338,344)	(48,901)	(8,541,772)	(33,038)	**(8,574,810)**
Care Costs	-	-	(4,569,467)	-	(4,569,467)	(2,977,434)	**(7,546,901)**
Rates Payable	(4,741,499)	(176,076)	(91,952)	-	(5,009,527)	(27,103)	**(5,036,630)**
Management Costs	(8,930,020)	(801,386)	(2,557,876)	-	(12,289,282)	(1,648,959)	**(13,938,241)**
Maintenance Administration Costs	(1,460,470)	(52,001)	(387,670)	-	(1,900,141)	(98,921)	**(1,999,062)**
Planned and cyclical maintenance	(2,803,241)	(280,291)	(588,618)	-	(3,672,150)	(128,639)	**(3,800,789)**
Reactive maintenance	(3,355,991)	(220,375)	(231,315)	-	(3,807,681)	(40,838)	**(3,848,519)**
Depreciation of Social Housing	(10,050,743)	(272,957)	(425,475)	-	(10,749,175)	(125,508)	**(10,874,683)**
Other Costs	(168,436)	(190,723)	(1,492,577)	-	(1,851,736)	(477,185)	**(2,328,921)**
Total operating costs	**(31,760,111)**	**(2,654,624)**	**(19,790,277)**	**(48,901)**	**(54,253,913)**	**(5,844,691)**	**(60,098,604)**
Operating surplus/(deficit)	**18,161,288**	**(1,119)**	**(4,108,655)**	**(2,070)**	**14,049,444**	**(2,258,690)**	**11,790,754**

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

35 Turnover, operating costs and operating surplus (continued)

	2024						
Association	General Needs Housing £	Independent Living Housing £	Housing with Care £	Supported Housing £	Total Social Housing Activities £	Other Costs £	Total £
Operating Costs							
Services	(302,014)	(434,970)	(1,153,831)	-	(1,890,815)	131	**(1,890,684)**
Supporting People Costs	-	(129,081)	(7,713,930)	(53,867)	(7,896,878)	-	**(7,896,878)**
Care Costs	-	-	(4,118,493)	-	(4,118,493)	(4,118,605)	**(8,237,098)**
Rates Payable	(4,156,010)	(163,454)	(102,744)	-	(4,422,208)	(23,547)	**(4,445,755)**
Management Costs	(7,744,029)	(640,476)	(2,550,452)	-	(10,934,957)	(1,025,502)	**(11,960,459)**
Maintenance Administration Costs	(1,256,628)	(47,296)	(365,326)	-	(1,669,250)	(93,919)	**(1,763,169)**
Planned and cyclical maintenance	(1,781,485)	(175,162)	(479,704)	-	(2,436,351)	(129,382)	**(2,565,733)**
Reactive maintenance	(3,444,720)	(194,046)	(219,990)	-	(3,858,756)	(68,241)	**(3,926,997)**
Depreciation of Social Housing	(9,912,248)	(279,137)	(439,017)	-	(10,630,402)	(117,508)	**(10,747,910)**
Other Costs	(203,682)	(160,742)	(1,388,963)	-	(1,753,387)	187	**(1,753,200)**
Total operating costs	**(28,800,816)**	**(2,224,364)**	**(18,532,450)**	**(53,867)**	**(49,611,497)**	**(5,576,386)**	**(55,187,883)**
Operating surplus/(deficit)	**15,089,207**	**214,519**	**(4,228,915)**	**107**	**11,074,918**	**(2,452,745)**	**8,622,173**

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

35 Turnover, operating costs and operating surplus (continued)

DfC Management Allowances – General Needs	2025 Total £	2024 Total £
Management Allowances	**2,384,712**	2,289,672
Management costs	**(8,930,050)**	(7,744,030)
Surplus/(Deficit)	**(6,545,338)**	(5,454,358)

DfC Maintenance Allowances – General Needs		
Maintenance Allowances	**2,974,938**	2,865,624
Maintenance administration costs	**(1,460,470)**	(1,256,628)
Planned and cyclical maintenance	**(2,803,241)**	(1,781,485)
Reactive maintenance	**(3,355,991)**	(3,444,720)
Surplus/(Deficit)	**(4,644,764)**	(3,617,209)

Gross Income from Rents and service charges		
Technical	**53,121,701**	44,482,533
Non-Technical	**11,504,047**	12,101,566
Total	**64,625,748**	56,584,099

36 Particulars of lettings

Association	2025 £	2024 £
Rent and service charges	**60,260,701**	52,245,472
Less: rent losses from bad debts and voids	**(588,957)**	(531,128)
Supporting people and other subsidies	**4,954,004**	4,869,755
	64,625,748	56,584,099

37 Related party disclosures

Apex Housing Association (Ireland) Limited, Fairbuild Homes (NI) Ltd and Newington Housing Association (1975) Limited are regarded as a related party as defined by section 33 FRS 102 due to the fact that a number of board members of Apex Housing Association Limited are also directors of these companies.

The transactions and balances due from/to these related parties during the financial year were as follows:

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

37 Related party disclosures (continued)

	2025	2024
	£	£
Apex Housing (Ireland) Limited	**4,979,060**	4,922,426
Fairbuild Homes (NI) Ltd	**-**	1,216
Newington Housing Association (1975) Limited	**46,641**	47,793
Amount owed from related party at 31 March	**5,025,701**	4,971,435

	2025	2024
	£	£
Apex Housing Association (Ireland) Limited		
Amount owed from related party at 1 April	**4,922,426**	4,570,820
Management and administration charge to Apex Housing Association (Ireland) Limited	**89,750**	67,747
Expenditure paid on behalf of Apex Housing Association (Ireland) Limited	**540,430**	802,507
Amounts written off	**(550,000)**	(500,000)
(Receipts from)/payments to Apex Housing Association (Ireland) Limited	**(23,546)**	(18,648)
Amount owed from related party at 31 March	**4,979,060**	4,922,426

Fairbuild Homes (NI) Ltd ("Fairbuild Homes")		
Amount owed from related party at 1 April	**1,216**	-
Management and administration charge to Fairbuild Homes	**78**	325
Amounts written off	**-**	(5,500)
Expenditure paid on behalf of Fairbuild Homes	**2,405**	6,391
Receipts from Fairbuild Homes	**(3,699)**	-
Amount owed from related party at 31 March	**-**	**1,216**

Newington Housing Association (1975) Limited		
Amount owed from related party at 1 April	**47,793**	45,170
Expenditure paid on behalf of Newington Housing Association	**(1,152)**	2,623
Receipts from Newington Housing Association	**-**	-
Amount owed from related party at 31 March	**46,641**	47,793

38 Related Party loan – Uncertainty Regarding Recoverability

As at 31 March 2025, the association has an outstanding loan receivable of £4,979,060 (2024; £4,922,426 due from Apex Housing Association (Ireland) Limited, a related party as defined under IAS 24 Related Party Disclosures. The loan has been advanced under terms approved by the board under a Facilities Agreement dated 22nd June 2011 on a 5-year term with the most recent renewal being 8th August 2024. The agreement is reviewed annually by the board. During the reporting period the borrower reviewed its options for development of sites in its ownership, the proceeds of which will be used to repay part of the loan. The board of Apex Housing Association (Ireland) Limited are also reviewing the future strategic direction of the entity with discussions taking place with other interested parties in relation to the possible takeover of the entity and its remaining stock of housing assets. This has created uncertainty regarding the recoverability of the loan in full. Management has assessed the recoverability of the loan but, due to the lack of sufficient reliable information and the ongoing nature of the discussions with the borrower, it is not currently possible to make a reasonable estimate of any potential impairment. Accordingly, no provision for impairment has been recognized as at 31 March 2025. The board are continuing to monitor the position closely and will reassess the need for impairment as further information becomes available.

Apex Housing Association Limited

Northern Ireland - Charity number 106107

Accounts

Registered number IP125

Apex Housing Association Limited

Annual report and financial statements

for the year ended 31 March 2024

Apex Housing Association Limited

Annual report and financial statements for the year ended 31 March 2024

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Board and advisers

Board

Mr P Caldwell (Chairperson)
Mr J Meehan (Treasurer)
Mr D McKenna – Joined 20/09/2023
Mr M Doherty BSC Hons, MSC – Resigned 20/09/2023
Dr R Naylor
Mr S McKenna
Ms C Cooke
Ms L Watson
Ms A Wallace
Mr P O'Flaherty
Mr L Hannaway
Ms M Nicholson
Mr C McQuillan

Chief executive and honorary secretary

Ms S McCallion

Registered Office

10 Butcher Street
Londonderry
BT48 6HL

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 – Registered number IP125
Registered under the Housing (NI) Order 1992 - No R23
Registered with the Charity Commission Northern Ireland - No NIC106107
Registered with the Fair Employment Commission
Registered under Data Protection Act – No X3488333

Bankers

AIB
Meadowbank
Strand Road
Londonderry
BT48 7TN

Solicitors

Arthur Cox
Capital House
3 Upper Queen Street
Belfast
BT1 6PU

Statutory Auditors

Sumer AuditCo NI Ltd
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 together with the audited financial statements for the year ended 31 March 2024 of Apex Housing Association Limited (the "Association") and its subsidiaries (the "Group"). This report includes required disclosures of the Trustees Report for charity law purposes.

Principal activity

Apex Housing Association Limited ("Apex") is a major housing association managing a stock of some 6,975 homes, which will grow to over 8,500 when our current planned programmes are completed. Our business is housing and associated care and support services; and from tiny beginnings in 1965 in Derry~Londonderry, we have grown into a substantial not-for-profit housing association, led by volunteers working to social enterprise principles. We employ some 648 staff throughout the organisation and provide:

- General needs housing for families and single people
- Purpose-built accommodation for older people and families with complex needs
- Supported housing for people with mental health difficulties, learning disabilities, alcohol/drug addictions, those who are physically disabled and young people in need of support
- Housing support for vulnerable groups under the Supporting People programme
- Support services for tenants and the wider community through our community investment programme
- Community buildings under the management of local communities

Apex works across Northern Ireland in delivering social and affordable housing through the Apex Voluntary Housing Group structure. Our not-for-profit subsidiary company, Fairbuild Homes (NI) Ltd, provides affordable housing for sale but remains dormant at this time.

Newington Housing Association (1975) Limited ("Newington") is also a member of the Apex Group. Newington has its own board of management and manages a housing stock of around 720 units in North Belfast. Support and cooperation is fostered through the Group structure, allowing Apex and Newington to use their resources efficiently for mutual benefit.

What Guides us?

Our Corporate Strategy 2023 – 2026 provides us with strategic themes and objectives which set the direction of travel for everything we will do over the 3-year period. We need this to give us a focus and to make sure we are working towards common goals. To ensure we achieve these goals, the Business Plan section sets specific tasks annually for each of the 3 years. These are measurable and the outcomes are reported to the Board of Management and to shareholders at the Annual General Meeting.

The Strategy has been shaped by feedback from employees, tenants, and board members. It sets out our priorities to build on the success of the previous plan and introduces new initiatives to help deliver our aims. The themes of the Corporate Strategy feed into staff appraisals, training and development initiatives, team action plans and key performance indicators.

Apex does not operate in isolation, but instead is influenced by and must react effectively to changing contexts, not only within the housing and care sectors but also within the societal and community fabric. In the same way we must learn from our own recent past, using our experiences both good and bad, to help us plan ahead.

Due to the hard work and commitment of our staff over the lifetime of the previous Corporate Strategy 2020-2023, Apex has performed well and remains in a strong position despite challenging times.

By pulling together in the same direction we can continue our success and make a real difference to people's lives.

Strategic report of the Board for the year ended 31 March 2024 (continued)

What we value

Our Corporate Strategy gives us direction for the current 3-year period from 2023 – 2026, however our vision, mission and values will run beyond that period and underpin everything we do as an organisation, both collectively and individually.

Our Vision

For every person to enjoy great quality homes and support, in vibrant and caring communities.

Our Mission

To lead the way in building sustainable communities through the delivery of quality, affordable homes including tailored support and care services.

Our Values

We care
We want to make a positive difference to people's lives.

We take ownership
We are all responsible for ensuring we deliver our mission.

We do things well
We lead the way; we aim to get it right and to continuously improve.

We work together
We collaborate to get the best result.

We show respect
We are respectful and courteous to everyone we come in contact with.

Factors influencing our plan

Apex recognises that as we continue on our journey there are factors that will influence implementation of our plan.

We will continue to identify, assess and manage the risks, challenges and opportunities arising, in pursuit of delivering our vision.

These include:

- Ensuring effective governance
- Ensuring compliance
- Ensuring tenancy sustainment
- Implementing Welfare Reform
- Managing our finances
- Responding to the increase in housing stress
- Reducing our carbon footprint

Strategic report of the Board for the year ended 31 March 2024 (continued)

Future plans

We have consistently invested significant time and effort in governance and our robustness here is demonstrated by many positive audits and inspections and strong performance against core DfC standards. We have committed and effective staff in place, continually working to improve our systems, processes, and procedures. We have top quality office accommodation and have been successful in attracting high calibre voluntary board members.

When we are at our best we are up there with other top performing organisations. Our customers are looking for something straightforward: a responsive, reliable, and timely service offering value for money. While the majority get that service, we must strive to identify any weaknesses that adversely impact upon our performance. Using our strong work ethic, we will continue to direct our energies to improving our weaker areas and tackling issues before they become problems. Implementation of the 'Tenant and Resident Engagement Strategy 2023-2026' will help us ensure a strong customer focus and better service delivery which underpin our overall direction of travel.

Strategic priorities

Our analysis of the issues has determined that our objectives and tasks fall under five strategic priorities. By firmly committing to priority 1.0 – Sustainable communities; we will maximise our hopes of achieving all our objectives across priorities 2.0 to 5.0.

1.0 Sustainable communities
2.0 High quality, energy efficient homes
3.0 Quality Supported Living
4.0 An effective and efficient organisation
5.0 Skilled people and teams

The board has refreshed our medium-term corporate strategy for 2023-2026, in response to the current and expected operating environment and building on what we have achieved to date. This sets out a number of initiatives and activities to be undertaken or commenced in the current 3 years.

What we achieved 2020-23

- Delivered over 700 brand new homes for new tenants.
- Engaged with over 11,000 people through events and activities.
- Completed 450 disabled adaptations for tenants.
- Completed 80,000 repairs and spent over £10m on planned and cyclical upgrades.
- Accessed £0.85m of additional benefits for tenants through our welfare advice service.
- Awarded the highest DfC regulatory rating.
- Retained our investment grade credit rating.
- Secured £100m in bond finance.
- Received a CIH award for greener environment and stronger community initiative.

What we plan to do 2023-26

Priority 1 – Sustainable communities

- Deliver reliable, high quality, effective and efficient services to tenants and service users.
- Promote tenancy sustainment and respond appropriately to the changing needs of tenants.
- Work in partnership with others to provide wider community support.
- Promote tenant engagement and community investment.

Priority 2 – High quality, energy efficient homes

- Deliver an ambitious growth programme.
- Consider new housing models.
- Provide well maintained homes.
- Deliver energy efficient homes.

Strategic report of the Board for the year ended 31 March 2024 (continued)

Priority 3 – Quality supported living

- Deliver high-quality, cost-effective support and care services.
- Review service delivery, ensuring it remains strategically relevant and meets service user needs.

Priority 4 – An efficient and effective organisation

- Ensure effective governance and compliance.
- Grow the balance sheet, while meeting key financial targets.
- Work to meet government's social and affordable housing agenda.
- Deliver cost effective services.
- Ensure sustainability.
- Implement effective and efficient ICT solutions.
- Communicate effectively to drive service improvement.

Priority 5 – Skilled people and teams

- Improve workforce stability.
- Implement an effective and efficient organisational structure.
- Equip staff with the appropriate skills and knowledge to deliver high quality services.

Community Investment

Apex works across a range of vibrant and diverse communities throughout Northern Ireland and increasingly sees the need to target this work beyond our core business activities. This is necessitated by the considerable pressures society in general continues to face in a challenging economic climate. As a social landlord, we see every day the impact of a range of factors on our communities.

Apex therefore seeks to deliver a range of programmes and services that instigate positive change and make a fundamental difference to people's lives, thereby making our communities better places to live.

Through investing in people, property, and the environment, we aim to make a positive difference.
To help achieve our aim, we work with several community partners to enable tenants and residents to access a range of initiatives including self-development programmes, advice on health and well-being, budgeting and employment opportunities.

By enhancing our engagement in community investment activities, we have established Apex as one of the leading socially responsible organisations in Northern Ireland. We want to continue with this important work to ensure that we continue to build thriving communities where people want to live and work.

Key Areas

The "Community Investment Strategy 2023-2026" has been developed with the aim of supporting our communities beyond our core landlord purpose and provides a focus to ensure we are working towards our common goals which in turn have been shaped by feedback from stakeholders including tenants, community groups and employees. They target the following five pillars of activity:

- Community Empowerment & Engagement
- Health & Well-Being
- Financial Well-Being
- Work & Learning
- Volunteering

We will continue to use our influence and knowledge, work in partnership and source additional funding to deliver a range of collaborative services. These services will aim to instigate positive change and make a fundamental difference to people's lives; also contributing to wider community benefits.

Strategic report of the Board for the year ended 31 March 2024 (continued)

What we achieved 2020-23

- Supported more than 100 allotment users with an on-site horticulturalist.
- Helped more than 1,200 tenants through our Welfare Advice Service.
- Delivered more than 200 community events through the Housing for All initiative.
- Provided more than 70 meals per week through our Luncheon Club service.
- Delivered almost 65,000kg of food to local communities.
- Supported almost 200 households though our Community Supermarket.
- Raised more than £60k to support community projects in Tanzania.

What guides us 2023-2026

The 'Community Investment Strategy 2023-2026' has a range of programmes aimed at the individual, the wider community and the environment. Within the strategy we have considered the following themes:

Themes

Theme 1 – Enable people to fulfil their aspirations

- Support people to make informed decisions about their lives and increase their independence.
- Support people to recognise their potential by increasing their motivation, confidence, skills, and knowledge.

Theme 2 – Enable successful communities

- Provide opportunities for people to participate in making decisions about their communities.
- Support people to fulfil their vision and aspirations for their community and between communities.
- Promote and encourage diversity and good relations in all housing developments and particularly within areas where there is 'shared housing'.
- Develop biodiversity and sustainability initiatives within our communities.

Theme 3 – Promote positive partnerships within communities

- Support charities, social enterprises, and SMEs within our communities.
- Support the development of economic activity within the areas that we work.
- Maximise the social value impact for our communities within Apex development contracts.

Sustainability

Housing associations play an integral role in the provision of affordable and safe homes, as well as responding to wider issues of social inequality and climate change. Therefore, Apex have developed our 'Sustainability Strategy 2023-2026'. The strategy sets out our plans for the next three-year period; focusing on key actions to make a real, measurable impact within our association and communities, as well as contributing to the achievement of government sustainability targets.

Our vision for this sustainability strategy has been developed to help us integrate sustainability into all aspects of our work; from the homes we build, to the way we run our association and how we support our communities.

Strategy

In order to achieve our vision, we have developed six drivers of our strategy, with the overarching aim of contributing to the UN Sustainable Development Goals (UN SDGs).

1. Supporting residents and communities
2. Climate action
3. Environmental protection
4. Affordability
5. Supporting our people
6. Strong governance

Strategic report of the Board for the year ended 31 March 2024 (continued)

In turn, these six drivers will inform three key areas for target and action.

Target 1 – Sustainable homes

- Reduced fuel poverty
- Reduced carbon emissions
- Good quality, affordable homes
- Improved biodiversity
- Reduced resource use

Target 2 – Sustainable association

- Reduced carbon emissions from association
- Reduced resource use
- Supported and motivated staff
- Increased transparency and accountability

Target 3 – Sustainable communities

- Community pride and ownership
- Increased community support
- Improved health and wellbeing
- Net biodiversity gain in local areas
- Reduced carbon emissions across communities

Throughout 2023-2026 we will continuously monitor and periodically evaluate the success of the Sustainability Strategy.

Operating Performance

Apex measures performance through a range of key indicators which are reviewed quarterly.

Indicator	23/24 result	22/23 result
Average no. of staff employed during the year	**636**	645
Working time lost	**8.72%**	7.57%
Staff turnover	**14.32%**	20.54%
Units started	**27**	553
% of total NI starts	**1.79%**	28.27%
Voids % of total stock	**0.64%**	0.93%
Total arrears %	**7.29%**	7.39%
Repairs completed within response time	**88.64%**	88.98%
Operating margin (Group)	**14.8%**	14.4%
Retained surplus/(deficit) for the year (after pension changes) (Group)	**(£10.28m)**	£11.6m

Our People

Our staff are one of our most valuable assets. Apex provides a comprehensive employment package including access to pension schemes, on-going training and development, and access to a range of employee well-being initiatives.

Board of Management

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 Chief Executive and Senior Management Teams of each group company.

Gender analysis

7 members of the Board are male and 5 are female. The Senior Management Team is comprised of 3 males and 4 females. The association has 648 employees of which 21% are male and 79% are female.

Strategic report of the Board for the year ended 31 March 2024 (continued)

Events after the balance sheet date

There are no significant events that have occurred after the balance sheet date that would affect the financial statements.

Value for Money (VFM)

Apex is fully committed to achieving value for money (VFM). We recognise that we need to continue to push our performance and capacity up to higher levels if we are to meet the goals and targets set by our board. During 2024/25 we will continue to publish a VFM statement and continually monitor and report performance against that statement.

Return on social investment

Apex continues to deliver its community investment programme as set out in the note above. During the course of 2024/25, Apex will work towards the delivery of this programme and measure its outcomes for reporting to the board and stakeholders during the year.

Status

Apex Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP125) and is a Registered Housing Association with the Department for Communities (NI) – No. R23. The Association is a registered charity (Registration no. NIC106107).

Newington Housing Association (1975) Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (IP000158) and is a Registered Housing Association with the Department for Communities (NI) – No. R13. The Association is a registered charity (Registration No. NIC102477).

Risk Management

Internal and external risk evaluation remains integral to the formulation of our business strategy. Our Board and Senior Management Team has maintained its ongoing programme of risk review throughout the year, and our most significant risks currently facing the organisation are shown below. These, along with the other main business risks captured on the strategic and key risk register, are reviewed by the Board on at least a quarterly basis.

- Failure to deliver on the Social Housing Development Plan.
- Failure to secure adequate revenue funding for the proper management of Supported Living accommodation resulting in increasing revenue deficits.
- NI Water – network capacity which could impact on development plans.
- Financial impact of increased nursing care costs resulting in growing deficits in nursing schemes.
- Financial impact of the NILGOSC defined benefit pension scheme affecting annual accounts.
- Requirement under PPN 02/22 on the use of NEC4 engineering and construction contracts which must use X clauses for inflation and changes in the law resulting in cost increases.
- Failure to have a robust and transparent procurement process in place resulting in challenges from unsuccessful contractors and wider public criticism.
- Failure to recruit and retain skilled and experienced staff.
- Financial impact of potential future delivery of affordable homes and mixed tenure developments.
- Failure of subsidiary and associated companies to meet their performance targets leading to increasing intercompany financial support.
- Failure to ensure effective adult safeguarding leading to breach of regulatory requirements and poor levels of care.
- Failure to manage the risk of fraud resulting in considerable financial losses and serious reputational damage.
- Levels of voids in supported living accommodation leading to increasing deficits.
- Failure to implement good governance resulting in breach of regulatory requirements, reputational damage and impacting on future viability.
- Failure to comply with General Data Protection Regulations.
- Health and Safety risks relating to fire safety in apartments.
- Risk of cyber-attack resulting in theft or loss of data and access to IT systems.

Strategic report of the Board for the year ended 31 March 2024 (continued)

Performance in the year ended 31 March 2024

During the year the number of homes in management in Apex Housing Association increased by 250 units (3.71%) to 6,975. There were 280 completions, 24 house sales to tenants, and 6 shared ownership buy-outs. There were 1,373 units under development at 31 March 2024. Homes under management within the Apex Housing Group increased by 254 units (3.41%) to 7,695 (net of sales and shared ownership completions).

£57.8m was spent on developing housing properties during the year, partly funded by £8.4m of Housing Association Grant.

Association turnover increased to £63.8m (11.68%) from £57.1m in 2023. Turnover from shared ownership sales (first tranche) was £Nil in 2024, whereas this was £0.6m 2023. Operating costs increased from £53.1m in 2023 to £55.2m in 2024. Net financing costs increased by £0.2m to £7.5m. Deficit for the year was £10.6m (including actuarial loss of £12.2m on the NILGOSC defined benefit scheme) compared with a surplus of £9.5m in 2023 (including actuarial gain of £12.4m).

Following discussions with external third-party advisors, Apex has not recognised any surplus on the NILGSOC defined pension scheme this year. Last year there was a recognised asset of £10.5m however there has been a recommendation to change the default position going forward, as it is uncertain as to whether this surplus (calculated for Financial Reporting purposes) will be recoverable via reduced future contributions (calculated for pension funding purposes). The impact of this change created a large loss of £12.2m on the accounting treatment of the NILGOSC defined benefit scheme during the year. Excluding this, the association incurred a surplus of £1.58m on ordinary activities. This was a considerable improvement on the corresponding loss of £2.87m reported in 2023 and is attributable to the Association increasing rents by 9% for general needs properties to mitigate against the impact of inflation as well as an increase of £2.3m in supported living rents arising from a review of costs and charges. The association also leased a loss-making nursing home to another operator in February 2023 with the full year impact of this benefitting performance in 2023/24. Work is continuing to secure further increases in income for supported living schemes via discussions with the local health trusts and NIHE Supporting People team.

Group turnover increased to £69m (11.47%) from £61.9m in 2023. Group operating costs increased from £56.8m in 2023 to £59.3m in 2024. Group operating surplus for 2023 of £8.9m increased to a group surplus of £11.2m in 2024 as a result of the impact on the parent set out above. There was a total retained deficit for the year of £10.3m compared to a surplus of £11.6m for 2023, however this was due to an decrease in the accounting value of the defined benefit pension scheme accounting for a recognised loss of £12.2m in 2024 compared to a gain of £13.9m in 2023.

Expected performance in the year ended 31 March 2025

It is planned that 361 additional units will be completed during the year increasing stock owned or managed by the group to over 8,050.

By Order of the Board

Ms S McCallion
Honorary Secretary
18 September 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 Apex Housing Association Limited (the "Association") and its subsidiaries (the "Group"). This report includes required disclosures of the Trustees Report for charity law purposes.

Board of Management

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 Chief Executive and the Senior 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, which are in the strategic report, are included in this report by cross reference.

Average staff numbers decreased from 645 in 2023 to 636 in 2024. There are limited plans for additional outreach schemes due to funding constraints and therefore staff numbers are not anticipated to increase significantly in the coming financial year. Staff turnover was 14.32% (2023: 20.54%) and the average absence percentage was 8.72%, up from 7.57%, in the previous financial year.

Principal risks and uncertainties

Performance in the voluntary housing sector is affected greatly by central government decisions on matters of social and care provision in the community, housing policy, planning issues, land and construction costs, shortage of qualified nursing staff, demographic trends, energy prices, pension costs and budgetary constraints in the Northern Ireland budget. The board and senior management carry out quarterly reviews of risks and identify control measures to manage them. Some of the top key risks identified by the Association during 2024 were; funding levels in supported living schemes; voids in supported living accommodation; difficulties in recruiting nursing and other staff; financial impact of the NILGOSC defined benefit pension scheme on the accounts; cyber security; failure of subsidiaries to meet performance targets; financial impact of potential future delivery of affordable homes and mixed tenure developments; failure to ensure effective adult safeguarding; NI Water insufficient network capacity impacting on development plans; fraud; failure to ensure good governance and compliance; failure to comply with General Data Protection Regulations; fire safety in apartments; and potential challenges from unsuccessful contractors if proper procurement processes are not robust.

Key performance indicators

Development

New sites starts achieved: 27 (1.79% of DfC programme)

Housing Management

	2024	2023
Allocations	**945**	798
Rent Collection	**99.92%**	99.66%
Total Arrears	**7.29%**	7.39%
Non-technical Arrears as % of NT turnover	**14.04%**	14.35%
Voids as % of rent receivable	**0.98%**	1.0%
Voids as % of housing stock	**0.64%**	0.93%
Response maintenance within time	**88.64%**	88.98%

Report of the Board for the year ended 31 March 2024 (continued)

Environment

The Association 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.

Health and safety

The Association has a dedicated health and safety officer who is dedicated to achieving the highest practical standards in health and safety management. The development and property services teams also ensure all sites and offices are safe environments for employees and tenants alike.

Human resources

The Association's most important resource is its people; their knowledge and experience are crucial in meeting tenants' requirements. Retention of key staff is critical and the association has various strategies and plans in place to develop capacity in our teams.

Financial risk management

The Association's operations expose it to a variety of financial risks that include the effects of changes in interest rate risk, liquidity risk and currency risk. Responsibility for the management of risk is delegated to the Finance Committee.

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

Currency risk

The Association does not engage in foreign currency transactions and so is not exposed to foreign exchange risk.

Donations

The Association made charitable donations amounting to £12,000 during the financial year (2023: £5,790). No donations for political purposes were made during the financial year (2023: £Nil).

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the company.

Report of the Board for the year ended 31 March 2024 (continued)

Going concern

The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The Board considered the new financial plan for 2024/25 and beyond at their meeting held on 29th May 2024. This plan included various assumptions and stress-testing around a range of scenarios and considered any mitigations that may need to be put in place depending on the outputs of each scenario. For this reason, they continue to adopt the going concern basis in preparing the financial statements and are confident that the Group will be a going concern for at least 12 months from the date of this report.

Status

The Association is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (Registered number IP125) and is a Registered Housing Association (R23). The Association is a recognised charity for Inland Revenue purposes (Charity number: XN48080). The Association is also registered with NI Charities Commission (Charity number: NIC106107).

Board of Management

The members of the Board of the Association are listed on page 1.

Each member of the Board holds one fully paid share of £1 in the Association.

In accordance with the Rules of the Association, Mr Philip O'Flaherty, Ms Linda Watson and Ms Alison Wallace are due to retire by rotation and being eligible, offer themselves for re-election. Mr John Meehan, Mr Sean McKenna and Ms Rachel Naylor are also due to retire, however are not seeking re-election.

Statement of the responsibilities of the Board

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

The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of the Group and Association's affairs and of its surplus or deficit for that period. In preparing those financial statements the Board is required to:

- select suitable accounting policies and then 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 in business.

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 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. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and detect fraud and other irregularities. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of 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 Group and Association'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 Group and Association's auditors are aware of that information.

Report of the Board for the year ended 31 March 2024 (continued)

Statement on internal control

The Board acknowledges its ultimate responsibility for ensuring that Apex Housing Association Limited has in place a robust system of internal controls which is appropriate for the various business environments in which it operates and supports the achievement of the Group and Association's policies, aims and objectives whilst safeguarding its funds and assets.

Apex Housing Association Limited was established in October 1965 and has in place a range of internal controls which are and will continue to be reviewed on an annual basis.

The system of internal control is designed to manage risk to an acceptable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to achieving the Associations' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place throughout the financial year ended 31 March 2024 and up to the date of approval of the annual report and financial statements and this accords with recommended Treasury guidance.

The setting of risk appetite by the Board, and identification and assessment of the impact of risk, is incorporated into the corporate planning and decision-making processes of the Association. Consequently, the Association ensures that there are procedures in place for verifying that internal controls and aspects of risk management are regularly reviewed and reported on.

During 2023/24 a number of measures were implemented to enhance the systems of internal control in place. These included:

1. Implementation of the Risk Management Framework.
2. Regular reporting to the Audit and Risk Committee and other Committees and the Board.
3. Annual review of the Risk Management Framework and setting of the risk appetite for 2024-25.
4. Implementation of the Decision Time Goals IT module to manage and report on key performance.
5. Delivery of training.
6. Further development of the risk and governance arrangements through review and implementation of a revised system of KPI monitoring and reporting, effective from 1st April 2024.
7. Commenced development of an overarching policy for 'notifiable events' reporting to ensure compliance with external reporting requirements.
8. Reviewed the current policy management and review procedures and agreed a new IT system for policy management, to be introduced during 2024-2025.

In addition to the actions outlined above, in the coming financial year the Association plans to:

1. Continue to operate the Risk Management Framework.
2. Ensure that the Association's Audit and Risk Assurance Committee continues to review the risk framework at its meetings.
3. Implement the systems for managing and reporting on key performance through the Decision Time IT software and embed the revised KPI reporting system.
4. Continue to deliver appropriate training for staff, Audit and Risk Committee members and Board members.
5. Strengthen the systems for ensuring compliance with external reporting requirements through implementation of an overarching policy for 'notifiable events' reporting.
6. Implement the revised system for policy management and review

As an integral part of its corporate planning process, the Board sets the risk appetite and the inherent risks for each corporate objective are identified and assessed for impact and likelihood using a risk matrix. The Association updates its risk registers, identifying the controls necessary to mitigate against each risk, assessing the residual risk, identifying further actions to be taken and assigning risk ownership to relevant staff.

These risks are reported to and managed by the relevant Committee of the Board and by the Audit and Risk Assurance Committee, who review and report to the Board on risk management issues. Risk is reviewed on a quarterly basis and the Board is informed of any emerging issues. The Committee receives regular reports on the implementation of internal and external audit reports and meets with the auditors on a regular basis. The Committee will commission further reports on specific issues where they feel this is necessary.

The Board has responsibility for reviewing the effectiveness of the system of internal control. Its review of the effectiveness of the system of internal control is informed by the work of the internal auditors and those within the company who have responsibility for the development and maintenance of the Association's internal control framework and comments made by the external auditors in their reporting.

A plan to address weaknesses and ensure continuous improvement of the system is ongoing. The Board has been informed by internal and external audit on the adequacy and effectiveness of internal controls operating within the Association. In the internal auditors report they have stated that in their opinion the Association's internal control systems were adequate and operated effectively thereby providing satisfactory assurance regarding the effective and efficient achievement of the Association's objectives; however a number of recommendations were made and an implementation plan is in place to address these.

Progress on issues raised by internal and external audit continues to be formally monitored through the Audit and Risk Assurance Committee.

Taking all of these matters into account the Board is suitably content that the internal control framework in operation within the Association.

Statutory auditors

The auditors, Sumer AuditCo NI Ltd, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board



Ms S McCallion
Honorary Secretary
18 September 2024

Statutory auditors' report to Apex Housing Association Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Apex Housing Association Limited ("the Association") and its consolidated undertakings ("the Group") for the year ended 31 March 2024 which comprise: the Consolidated and Association Statements of Comprehensive Income, the Consolidated and Association Statements of Changes in Reserves, the Consolidated and Association Statements of Financial Position and the Consolidated Cash Flow Statement and the related notes, which include a description of the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Housing SORP – Statement of Recommended Practice for Social Housing Providers.

In our opinion, the Consolidated and Association financial statements:

- give a true and fair view of the state of the affairs of the Group and of the Association as at 31 March 2024 and of the income and expenditure of the Group and of the Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969), the Housing (Northern Ireland) Order 1992, the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993, the Charities Act (Northern Ireland) 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.

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' responsibility for the audit of the financial statements section of our report.

We are independent of the Group and the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. The Board is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of our knowledge and understanding of the Group and the Association obtained in the course of the audit, we have not identified material misstatements in the Report of the Board and the Strategic Report.

We have nothing to report in respect of the following matters where the Charities (Northern Ireland) Act 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 require us to report to you if, in our opinion:

- the information given in the Report of the Board and the Strategic Report is inconsistent in any material respect;
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required to complete our audit.

We have nothing to report in this regard.

Under the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969) 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's financial statements are not in agreement with the accounting records.

We have nothing to report in this regard.

Responsibilities of the Board

As explained more fully in the Board's Statement of Responsibilities on page 15, the Board of Management 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 of Management 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.

In preparing the financial statements, the Board is responsible for assessing the Group's and 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 they either intend to liquidate the Group and the Association or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibility 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 Group and the Association for fraud and identified the greatest potential for fraud in the following areas: management override of controls relating to posting of journals. To address this risk we discussed the risks with client management and designed audit procedures to test 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. This description forms part of our auditors' report.

Use of our report

This report is made solely to the Board in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969) and article 19 of The Housing (Northern Ireland) Order 1992. Our audit work has been undertaken so that we might state to the Board those matters 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 Association and the Board, for our audit work, for this report, or for the opinions we have formed.



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

18 September 2024

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

	Note	2024 £	2023 £
Turnover	5	**69,045,231**	61,938,818
Operating costs	6	**(59,274,854)**	(56,783,934)
Gain/(loss) on disposal of housing properties		**1,466,722**	3,744,800
Operating surplus	7	**11,237,099**	8,899,684
Surplus/(deficit) arising from disposals of fixed assets		**104,799**	585,126
Interest receivable and similar income	9	**482,981**	121,408
Interest payable and similar expenses	10	**(8,890,469)**	(7,844,758)
Transfer to disposal proceeds fund	20	**(1,478,109)**	(4,030,880)
Other finance costs	11	**545,000**	(54,000)
Surplus/(Deficit) for the financial year		**2,001,301**	(2,323,420)
Transfer to designated reserves		**(12,000)**	(5,790)
Actuarial (loss)/gain in respect of pension schemes	24	**4,163,000**	15,087,000
Unrecognised Asset in respect of pension schemes	24	**(16,429,000)**	(1,168,494)
Total comprehensive income for the year		**(10,276,699)**	11,589,295

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/(Deficit) for the financial year		**2,001,301**	(2,323,420)
Movement in designated reserve		**(12,000)**	(5,790)
Movement in called up share capital		**1**	-
Actuarial (loss)/gain in respect of pension schemes	24	**4,163,000**	15,087,000
Unrecognised Asset in respect of pension schemes	24	**(16,429,000)**	(1,168,494)
Net addition to capital and reserves		**(10,276,698)**	11,589,295
Opening total capital and reserves		**46,126,185**	34,536,890
Closing total capital and reserves		**35,849,487**	46,126,185

The notes on pages 23 to 53 form an integral part of these financial statements.

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

	Note	2024 £	2023 £
Turnover	5	**63,810,056**	57,135,381
Operating costs		**(55,187,883)**	(53,086,201)
Gain/(loss) on disposal of housing properties		**1,402,290**	3,744,800
Operating surplus		**10,024,463**	7,793,980
Surplus arising from disposals of fixed assets		**104,799**	187,513
Interest receivable and similar income		**468,360**	118,962
Interest payable and similar charges		**(8,083,006)**	(7,317,893)
Transfer to disposal proceeds fund	20	**(1,478,109)**	(3,633,267)
Other finance costs		**545,000**	(23,000)
Surplus/(deficit) for the financial year		**1,581,507**	(2,873,705)
Transfer to designated reserves		**(12,000)**	(5,790)
Actuarial (loss)/gain in respect of pension schemes	24	**3,917,000**	13,576,000
Unrecognised Asset in respect of pension schemes		**(16,124,000)**	(1,168,494)
Total comprehensive income/(deficit) for the year		**(10,637,493)**	9,528,011

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 for the financial year		**1,581,507**	(2,873,705)
Actuarial (loss)/gain in respect of pension schemes	24	**3,917,000**	13,576,000
Unrecognised Asset in respect of pension schemes		**(16,124,000)**	(1,168,494)
Net addition to capital and reserves		**(10,625,493)**	9,533,801
Movement in designated reserve		**(12,000)**	(5,790)
Opening total capital and reserves		**30,128,887**	20,600,877
Closing total capital and reserves		**19,491,394**	30,128,888

The notes on pages 23 to 53 form an integral part of these financial statements.

Consolidated statement of financial position as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Housing properties - depreciated cost	12	**853,120,086**	797,321,780
Other tangible fixed assets	13	**10,099,132**	10,402,953
		863,219,218	807,724,733
Current assets			
Stock	15	**243,946**	302,814
Debtors	16	**16,106,122**	63,107,650
Investments	17	**23,577,481**	24,496,285
Cash at bank and in hand		**1,502,944**	1,594,370
		41,430,493	89,501,119
Creditors: amounts falling due within one year	18	**(97,372,471)**	(110,650,118)
Net current assets/(liabilities)		**(55,941,978)**	(21,148,999)
Total assets less current liabilities		**807,277,240**	786,575,734
Creditors: amounts falling due after more than one year	19	**(771,427,755)**	(751,065,549)
Pension asset / (liability)	24	**-**	10,616,000
Net assets		**35,849,485**	46,126,185
Capital and reserves			
Called up share capital	25	**29**	28
Capital reserve		**103**	103
Supporting People reserves	27	**-**	-
Common fund	28	**20,000**	20,000
Revenue reserve		**35,829,353**	46,106,054
Total funds		**35,849,485**	46,126,185

The notes on pages 23 to 53 form an integral part of these financial statements.

The financial statements on pages 18 to 53 were approved by the Board of Management on 18th September 2024 and were signed on its behalf by:

J Meehan
Treasurer

P Caldwell
Chairperson

S McCallion
Secretary

Registered number: IP 125

Association statement of financial position as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Housing properties - depreciated cost	12	**787,521,728**	731,479,783
Other tangible fixed assets	13	**8,097,257**	8,344,133
Investments	14	**2**	2
		795,618,987	739,823,919
Current assets			
Stock	15	**243,946**	302,814
Debtors	16	**15,844,046**	62,524,826
Investments	17	**23,577,481**	24,496,284
Cash at bank and in hand		**199,353**	249,985
		39,864,826	87,573,909
Creditors: amounts falling due within one year	18	**(94,457,635)**	(108,766,079)
Net current assets/(liabilities)		**(54,592,809)**	(21,192,170)
Total assets less current liabilities		**741,026,177**	718,631,747
Creditors: amounts falling due after more than one year	19	**(721,534,783)**	(699,046,859)
Pension asset / (liability)	24	**-**	10,544,000
Net assets		**19,491,394**	30,128,888
Capital and reserves			
Called up share capital	25	**29**	28
Capital reserve	26	**7**	7
Supporting People reserves	27	**-**	-
Common fund	28	**20,000**	20,000
Revenue reserve		**19,471,358**	30,108,853
Total funds		**19,491,394**	30,128,888

The notes on pages 23 to 53 form an integral part of these financial statements.

The financial statements on pages 18 to 53 were approved by the Board of Management on 18th September 2024 and were signed on its behalf by:

J Meehan
Treasurer

P Caldwell
Chairperson

S McCallion
Secretary

Registered number: IP 125

Consolidated statement of cash flows for the year ended 31 March 2024

	Note	2024 £	2023 £
Net cash from operating activities	31	**13,828,545**	17,174,051
Cash flow from investing activities			
Payments to purchase and develop housing properties		**(68,299,248)**	(53,551,430)
Receipts of Housing Association Grant		**51,980,453**	18,908,984
Receipts of other grants		**431,400**	717,800
Purchases of other tangible fixed assets		**(4,649)**	(28,726)
Receipts from disposal of housing properties		**(1,713,491)**	5,178,550
Interest received		**482,980**	121,408
Net cash generated from/(used in) investing activities		**(17,122,555)**	(28,653,414)
Cash flows from financing activities			
Repayment of bank loans		**(24,118,506)**	(8,659,875)
Loan advances		**36,410,754**	47,939,115
Interest paid		**(10,008,468)**	(7,867,758)
Net cash generated from financing activities		**2,283,780**	31,411,482
Net increase in cash and cash equivalents		**(1,010,230)**	19,932,119
Cash and cash equivalents at the beginning of the year		**26,090,655**	6,158,536
Cash and cash equivalents at the end of the year	31	**25,080,425**	26,090,655

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 10 Butcher Street, Londonderry, BT48 6HL.

2 Statement of compliance

These financial statements of Apex 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, the Charities Act (Northern Ireland) 2008 and the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.

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 significant accounting policies adopted by the group and association are as follows:

Basis of preparation of financial statements

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and 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 and group statement of financial position included within the financial statements of the group and its subsidiary undertakings are 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.

Going concern

The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The Board considered the new financial plan for 2024/25 and beyond at their meeting held on 29th May 2024. This plan included various assumptions and stress-testing around a range of scenarios and considered any mitigations that may need to be put in place depending on the outputs of each scenario. For this reason, they continue to adopt the going concern basis in preparing the financial statements and are confident that the Group will be a going concern for at least 12 months from the date of this report.

Notes to the financial statements for the year ended 31 March 2024 (continued)

3 Summary of significant accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the group and association and value added taxes.

The group and association base 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 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 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 service is received.

ii) Multi-employer pension plan

The Association operates a defined benefit scheme through the Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC). The assets of NILGOSC are held separately from those of the Association. The Association 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 benefit pension scheme arising from employee service in the year is charged to operating surplus. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance costs. Actuarial gains and losses are recognised in the statement of total recognised surpluses and deficits.

iii) 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 group 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.

Notes to the financial statements for the year ended 31 March 2024 (continued)

3 Summary of significant accounting policies (continued)

All new employees joining Apex Housing Association Limited are not eligible to join the NILGOSC scheme except in the case where they are already active members at the time of becoming an Apex employee. All other new employees join the Social Housing Pension Scheme Defined Contribution (SHPS DC).

SHPS DC is a defined contribution workplace pension scheme administered by The Pensions Trust and is the pension vehicle provided by the Association under auto-enrolment legislation. Each employee holds a separate pension plan with The Pensions Trust to which the Association contributes 6% of pensionable pay with the employee contributing a minimum of 4%. The employee is responsible for any investment decisions from the various investment options provided by The Pensions Trust. The Association's liability is limited to the above employer contribution.

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 - acquired by the Association

Other housing properties are stated as cost which is purchase price together with any incidental costs of acquisition. These properties are effectively purchased concurrently by the Association and participants and so are disclosed in fixed assets at the cost to the Association with the participants' net investment also disclosed in the housing properties note to the accounts.

The initial cost of the houses is not split between current and fixed assets since the Association and the participant effectively purchase their respective shares simultaneously. The circumstances of this type of transaction means that no gain nor loss will ever be made by the Association on first tranche sales and so the proceeds and costs are not shown in turnover or cost of sales. This allows the Association to present a true and fair view of the commercial reality behind such a co-ownership scenario.

Other housing properties - developed by the Association

For housing developed by the Association to provide a supply of affordable homes sales proceeds are accounted for in the statement of comprehensive income with proceeds recorded in turnover and costs in cost of sales in accordance with SORP. Unsold properties at the year-end are included in stock and are valued at the lower of cost (cost of land together with associated costs of development) and net realisable value. For housing developed for outright sale the proceeds less the costs of developing the property are accounted for in the statement of comprehensive income and disclosed within the surplus or deficit arising from disposals of housing property.

Other fixed assets

Other fixed assets are stated at cost.

Housing Association Grant and other grants

Housing Association Grant and other grants received as a contribution towards the capital costs of housing properties of the Association are recognised in income over the useful life of the housing property structure and its individual components. 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.

Notes to the financial statements for the year ended 31 March 2024 (continued)

3 Summary of significant accounting policies (continued)

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	100 years
Roof structure and coverings	40 - 80 years
Windows and external doors	30 years
Heating system boilers	15 years
Kitchens	20 years
Bathrooms	30 years
Mechanical systems (heating, ventilation, plumbing)	40 years
Electrics	40 years
Lift	30 years

Housing assets are depreciated in the year of acquisition, or in the case of a larger project, from the year 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 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%
Motor vehicles	-	25%
Plant and machinery	-	25%
Office furniture and equipment	-	25%
Computer equipment	-	25%

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.

Notes to the financial statements for the year ended 31 March 2024 (continued)

3 Summary of significant accounting policies (continued)

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.

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 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.

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.

Provisions and contingent liabilities

i) Provisions

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

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

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

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 group'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 (continued)

3 Summary of significant accounting policies (continued)

Financial instruments

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

i) Financial assets

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

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.

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, 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 used by the Association to purchase or develop additional properties for letting rather than claiming housing association grant on same. On acquisition of a property an amount equal to the acquisition cost (Total Cost Indicator from 1 June 2008) is removed from the fund and reclassified as recycled housing association grant. With effect from 1 October 2006 notional interest on the balance is included in the fund.

Notes to the financial statements for the year ended 31 March 2024 (continued)

3 Summary of significant accounting policies (continued)

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.

Revenue reserves

The group and association's policy is to retain a level of revenue reserves, which matches its needs at the current time and in the foreseeable future. The reserves required are sufficient to meeting committed running costs for a period equivalent to three months budgeted future expenditure. Annually the Board of Management review the adequacy of this period amending it, where necessary, to reflect changing needs.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements 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 judgements in applying the entity's accounting policies

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

(b) Key accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the group financial statements. Key estimates and assumptions that have been made in the preparation of these financial statements as follows:

(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 12 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 Turnover

Turnover relates to the Group and Association's main activity which is carried out in the United Kingdom. Turnover represents rental and service charge income and residential charges for special needs schemes, net of voids. It also includes income arising from other rental subsidies, services provided to other Housing Associations, supporting people legacy funding received for the provision of learning disability care, income from other sundry ancillary services and the amortisation of Housing Association Grant.

Notes to the financial statements for the year ended 31 March 2024 (continued)

6 Operating costs

Group	2024 £	2023 £
Direct property management costs	**47,247,037**	45,592,107
Administrative expenses	**12,027,817**	11,191,827
	59,274,854	56,783,934

7 Operating surplus

Group	2024 £	2023 £
Operating surplus is stated after charging/(crediting):		
Staff costs (note 8)	**22,080,980**	22,055,965
Depreciation of tangible fixed assets - owned assets	**11,585,719**	11,400,990
Release of capital grant	**(7,024,119)**	(6,955,670)
Operating lease charges	**63,712**	39,622
Fees payable to the group's auditors for the audit of the financial statements	**38,493**	49,200
Fees payable to the group's auditors for tax services	**1,500**	1,500

8 Employee information

	Group		Association	
	2024	2023	2024	2023
Average staff numbers	**Number**	Number	**Number**	Number
Administration	**203**	177	**181**	155
Sheltered schemes	**18**	15	**18**	15
Supported living schemes	**422**	458	**422**	458
Gardeners and bus drivers	**15**	17	**15**	17
	658	667	**636**	645

	2024 £	2023 £	2024 £	2023 £
Staff costs				
Wages and salaries	**18,532,748**	17,375,807	**17,707,944**	16,605,807
Social security costs	**1,764,158**	1,662,780	**1,682,126**	1,580,272
Other pension costs	**1,784,074**	3,017,378	**1,608,978**	2,680,778
	22,080,980	22,055,965	**20,999,048**	20,866,857

Directors' emoluments are disclosed in note 30. Staff costs in 2023 included redundancy payments of £82,122, there were no redundancy payments in 2024.

9 Interest receivable and similar income

Group	2024 £	2023 £
Bank interest receivable	**482,981**	121,408

Notes to the financial statements for the year ended 31 March 2024 (continued)

10 Interest payable and similar expenses

Group	2024 £	2023 £
Interest charge before capitalisation	**10,223,134**	9,077,947
Development interest capitalised	**(1,332,665)**	(1,233,189)
Interest charge after capitalisation	**8,890,469**	7,844,758

Development interest is capitalised at a weighted average cost of borrowing of 3.31% (2023: 3.24%).

11 Other finance costs

Group	2024 £	2023 £
Other finance losses	**(545,000)**	54,000

12 Housing properties – depreciated cost

Group	2024 £	2023 £
Cost		
At 1 April	**916,240,623**	868,167,864
Additions	**70,439,474**	56,614,084
Disposals	**(5,490,444)**	(8,541,325)
At 31 March	**981,189,653**	916,240,623
Accumulated depreciation		
At 1 April	**118,918,843**	110,409,724
Charge for year	**11,267,351**	10,973,785
Disposals	**(2,116,627)**	(2,464,666)
At 31 March	**128,069,567**	118,918,843
Net book amount	**853,120,086**	797,321,780
Net book amount comprises:		
Completed schemes	**693,805,799**	673,500,746
Land held for development	**31,131,401**	14,186,744
Properties under construction	**128,182,886**	109,634,290
At 31 March	**853,120,086**	797,321,780
Net book amount comprises:		
Freehold properties	**850,859,858**	795,006,849
Long leasehold properties	**2,260,228**	2,314,931
At 31 March	**853,120,086**	797,321,780

Notes to the financial statements for the year ended 31 March 2024 (continued)

12 Housing properties – depreciated cost (continued)

Group	2024 £	2023 £
Housing Association and other grants		
At 1 April	**553,577,384**	525,843,691
Additions	**21,401,619**	33,541,887
Disposals	**(3,241,942)**	(5,808,195)
At 31 March	**571,737,061**	553,577,383
Accumulated amortisation		
At 1 April	**79,570,925**	74,447,104
Charge for year	**7,024,119**	6,955,670
Disposals	**(1,639,451)**	(1,831,849)
At 31 March	**84,955,593**	79,570,925
Net book amount		
At 31 March	**486,781,468**	474,006,458

Notes to the financial statements for the year ended 31 March 2024 (continued)

12 Housing properties – depreciated cost (continued)

Association	2024 £	2023 £
Cost		
At 1 April	**836,991,621**	788,927,097
Additions	**69,590,949**	56,119,040
Disposals	**(5,276,648)**	(8,054,516)
At 31 March	**901,305,922**	836,991,621
Accumulated depreciation		
At 1 April	**105,511,838**	97,911,084
Charge for year	**10,199,761**	9,909,197
Disposals	**(1,927,405)**	(2,308,443)
At 31 March	**113,784,194**	105,511,838
Net book amount	**787,521,728**	731,479,783
Net book amount comprises:		
Completed schemes	**628,207,441**	607,658,749
Land held for development	**31,131,401**	14,186,744
Properties under construction	**128,182,886**	109,634,290
At 31 March	**787,521,728**	731,479,783
Net book amount comprises:		
Freehold properties	**785,261,500**	729,164,852
Long leasehold properties	**2,260,228**	2,314,931
At 31 March	**787,521,728**	731,479,783

Notes to the financial statements for the year ended 31 March 2024 (continued)

12 Housing properties – depreciated cost (continued)

Association	2024 £	2023 £
Housing Association and other grants		
At 1 April	**509,376,908**	481,373,034
Additions	**21,250,437**	32,638,443
Disposals	**(3,062,221)**	(4,634,569)
At 31 March	**527,565,124**	509,376,908
Accumulated amortisation		
At 1 April	**69,542,973**	64,942,441
Charge for year	**6,369,673**	6,292,991
Disposals	**(1,467,944)**	(1,692,459)
At 31 March	**74,444,702**	69,542,973
Net book amount		
At 31 March	**453,120,422**	439,833,935

13 Other tangible fixed assets

Group	Other land and buildings £	Plant and machinery £	Motor vehicles £	Office furniture and equipment £	Computer equipment £	Total £
Cost						
At 1 April 2023	12,937,457	178,376	24,000	411,003	1,595,677	15,146,513
Additions	1,555	-	-	9,644	3,349	14,548
Disposals	-	(9,900)	-	-	-	(9,900)
At 31 March 2024	**12,939,012**	**168,476**	**24,000**	**420,647**	**1,599,026**	**15,151,161**
Accumulated depreciation						
At 1 April 2023	2,681,390	171,162	24,000	300,171	1,566,836	4,743,559
Charge for year	258,673	2,400	-	29,388	27,909	318,370
Disposals	-	(9,900)	-	-	-	(9,900)
At 31 March 2024	**2,940,063**	**163,662**	**24,000**	**329,559**	**1,594,745**	**5,052,029**
Net book amount						
At 31 March 2024	**9,998,949**	**4,814**	**-**	**91,088**	**4,281**	**10,099,132**
At 31 March 2023	10,256,067	7,214	-	110,830	28,841	10,402,952

Notes to the financial statements for the year ended 31 March 2024 (continued)

13 Other tangible fixed assets (continued)

Association	Other land and buildings £	Plant and machinery £	Motor vehicles £	Office furniture and equipment £	Computer equipment £	Total £
Cost						
At 1 April 2023	10,795,471	178,376	24,000	253,067	1,595,677	12,846,591
Additions	1,555	-	-	-	3,349	4,904
Disposals	-	(9,900)	-	-	-	(9,900)
At 31 March 2024	**10,797,026**	**168,476**	**24,000**	**253,067**	**1,599,026**	**12,841,595**
Accumulated depreciation						
At 1 April 2023	2,499,995	171,162	24,000	240,465	1,566,836	4,502,458
Charge for year	215,847	2,400	-	5,624	27,909	251,780
Disposals	-	(9,900)	-	-	-	(9,900)
At 31 March 2024	**2,715,842**	**163,662**	**24,000**	**246,089**	**1,594,745**	**4,744,338**
Net book amount						
At 31 March 2024	**8,081,184**	**4,814**	**-**	**6,978**	**4,281**	**8,097,257**
At 31 March 2023	8,295,476	7,214	-	12,602	28,841	8,344,133

14 Investments

Association	2024 Subsidiary undertaking £	2023 Subsidiary undertaking £
Cost	27	21

Details of the Association's subsidiaries are as follows:

Name	Country of incorporation	Principal activity	%	Share ownership class
Fairbuild Homes (NI) Ltd	Northern Ireland	Construction Company	100	Ordinary shares of £1 each - £2
Newington Housing Association (1975) Limited	Northern Ireland	Housing Association	100	Ordinary shares of £1 each - £25

The Board believe that the carrying value of the investment is supported by the underlying net assets.

Notes to the financial statements for the year ended 31 March 2024 (continued)

15 Stock

	Group		Association	
	2024	2023	**2024**	2023
	£	£	**£**	£
Oil stocks	**16,710**	19,974	**16,710**	19,974
Consumables	**227,236**	282,840	**227,236**	282,840
	243,946	302,814	**243,946**	302,814

16 Debtors

	Group		Association	
	2024	2023	**2024**	2023
	£	£	**£**	£
Rental Debtors Gross - Technical	**2,802,704**	2,356,421	**2,581,007**	2,269,652
Rental Debtors Gross - Non-technical	**1,436,536**	1,414,174	**1,374,006**	1,278,191
Provision for bad debts	**(254,876)**	(172,348)	**(114,005)**	(82,520)
Net rental (including rates, service charges) debtors	**3,984,364**	3,598,247	**3,841,008**	3,465,323
Amounts owed by subsidiary undertakings (note 37)	-	-	**49,010**	45,170
Amounts owed by related undertakings (note 37)	**4,922,426**	4,570,820	**4,922,426**	4,570,820
HAG Receivable	**2,118,909**	49,622,066	**2,118,909**	49,622,066
Other debtors	**2,633,150**	2,459,941	**2,554,205**	2,038,168
Prepayments and accrued income	**2,447,273**	2,856,576	**2,358,488**	2,783,279
	16,106,122	63,107,650	**15,844,046**	62,524,826

17 Current asset investments

	Group		Association	
	2023	2023	**2024**	2023
	£	£	**£**	£
Short term deposits	**23,577,481**	24,496,285	**23,577,481**	24,496,284

Notes to the financial statements for the year ended 31 March 2024 (continued)

18 Creditors: amounts falling due within one year

	Group		Association	
	2024	2023	**2024**	2023
	£	£	**£**	£
Department for Communities loans (note 21)	**8,514**	26,359	**8,514**	26,359
Bank loans (note 22)	**35,608,317**	35,385,602	**34,822,731**	34,622,490
Bank overdraft	**3,049,866**	1,639,113	**3,049,866**	1,639,113
Other creditors	**196,494**	111,547	**196,101**	40,399
PAYE and other taxes	**826,614**	561,883	**826,614**	561,883
Rental and service charges received in advance	**753,975**	740,046	**753,975**	740,046
Trade creditors	**42,818**	236,111	**42,818**	236,111
Accruals and deferred income	**6,090,370**	6,939,495	**5,455,163**	6,557,725
Housing Association Grant in advance	**37,679,822**	51,093,851	**37,679,822**	51,093,851
TBUC grant	**2,198,341**	2,555,228	**2,198,341**	2,555,228
Disposal proceeds fund (note 20)	**4,000,002**	4,429,355	**3,160,171**	4,429,355
Deferred Housing Association Grant	**6,917,338**	6,931,526	**6,263,519**	6,263,519
	97,372,471	110,650,116	**94,457,635**	108,766,079

19 Creditors: amounts falling due after more than one year

	Group		Association	
	2024	2023	**2024**	2023
	£	£	**£**	£
Department for Communities loans (note 21)	**-**	12,515	**-**	12,515
Bank loans and overdrafts (note 22)	**158,522,127**	167,741,758	**141,636,382**	150,069,446
Other loans (note 22)	**130,000,000**	110,000,000	**130,000,000**	110,000,000
Disposal proceeds fund (note 20)	**1,472,600**	4,567,167	**1,472,600**	3,725,308
Other creditors	**976,510**	1,063,364	**976,510**	1,063,358
Deferred Housing Association Grant	**479,864,130**	467,074,929	**446,856,903**	433,570,416
Deferred income	**592,388**	605,816	**592,388**	605,816
	771,427,755	751,065,549	**721,534,783**	699,046,859

Notes to the financial statements for the year ended 31 March 2024 (continued)

20 Transfer to disposal proceeds fund

	Group		Association	
	2024	2023	**2024**	2023
	£	£	**£**	£
At 1 April	**8,996,520**	5,564,854	**8,154,662**	5,120,609
DPF Expenditure	**(5,002,027)**	(599,214)	**(5,000,000)**	(599,214)
Proceeds from house sales	**1,478,109**	4,030,880	**1,478,109**	3,633,267
At 31 March	**5,472,602**	8,996,520	**4,632,771**	8,154,662

The association is required to spend amounts allocated to the DPF within 24 months and plans are in place to ensure this requirement is met.

21 Department for Communities - housing property loans

	Group		Association	
	2024	2023	**2024**	2023
	£	£	**£**	£
Due in under one year (note 18)	**8,514**	26,359	**8,514**	26,359
Due within one to two years	**-**	12,515	**-**	12,515
Due within two to five years	**-**	-	**-**	-
	8,514	38,874	**8,514**	38,874

All loans bear interest at varying interest rates of between 8.75% and 12.375%. and have a maturity date of 01/04/2024.

22 Bank loans and overdrafts

	Group		Association	
	2024	2023	**2024**	2023
	£	£	**£**	£
Due in under one year	**38,658,183**	37,024,715	**37,872,597**	36,261,603
Due within one to two years	**11,812,010**	11,991,582	**8,337,337**	8,524,092
Due within two to five years	**27,721,551**	28,690,349	**23,191,365**	24,136,523
Due after five years	**118,988,566**	127,059,827	**110,107,680**	117,408,831
	197,180,310	204,766,473	**179,508,979**	186,331,049

All loans bear interest at varying interest rates of between 1.24% and 6.25%. A rolling working capital facility is also currently in place. Maturity dates for all other loans range from September 2025 to December 2055.

Security

Bank debt from AIB, Barclay's Bank, Ulster Bank, Pension Insurance Corp and European Investment Bank are secured by way of mortgages upon the deeds of the related properties financed by the loans and bear interest at fixed and variable rates.

Group and association	**2024**	2023
Other loans (THFC and PIC)	**£**	£
Due after five years (note 19)	**130,000,000**	110,000,000

Notes to the financial statements for the year ended 31 March 39 (continued)

22 Bank loans (continued)

Security

The THFC loan bears interest at a fixed rate of 6.35% on the capital sum borrowed (£10 million) payable at 6 monthly intervals for 30 years to 8 June 2039 after which it is repayable in full. The loan is secured by a fixed charge over various housing assets.

The THFC loan (2012) bears interest at a fixed rate of 5.20% on the capital sum borrowed (£20 million) payable at 6 monthly intervals for 30 years to 28 September 2042 after which it is repayable in full. The loan is secured by a fixed charge over various housing assets.

The PIC Senior Notes (£100 million) are secured by a fixed charge over various housing assets and this has an effective interest rate of 2.47%.

23 Financial instruments

The group has the following financial instruments:

Group	2024 £	2023 £
Financial assets that are debt instruments measured at amortised cost		
Rental debtor (note 16)	**2,802,704**	2,356,421
Other debtors (note 16)	**2,633,150**	2,459,941
Amounts owed from related undertakings	**4,922,426**	4,570,820
Financial liabilities measured at amortised cost		
DfC loans (note 21)	**8,514**	38,874
Bank loans and overdrafts (note 22)	**197,180,310**	204,766,473
Other loans (note 22)	**130,000,000**	110,000,000
Trade creditors (note 18)	**42,818**	236,111
Other creditors (note 18 and 19)	**6,044,808**	4,912,827
Accruals (note 18)	**6,090,370**	6,939,495

Notes to the financial statements for the year ended 31 March 40 (continued)

24 Pension commitments

The amount shown below is calculated to comply with the Financial Reporting Standard, the specific requirements of which differ from the basis on which pension liabilities are actuarially calculated for the purpose of the ongoing funding of the scheme. The Financial Reporting Standard requires:

(i) actuarial deficiencies to be recognised immediately as a "liability" in the financial statements rather than being spread forward over employees' remaining service lives;

(ii) the actuary, in valuing the scheme's liabilities, is required to use a bond yield as the discount rate for valuing future liabilities, rather than a rate that reflects the expected return on the scheme's particular asset portfolio, with the result of an apparent increase in the present value of future longer term liabilities.

Paragraph 28 of FRS102 also states that, "An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan" Following discussions with third party advisors, and given it is uncertain as to whether this surplus (calculated for Financial Reporting purposes) will be recoverable via reduced future contributions (calculated for pension funding purposes), Apex and Newington have not recognised any of this surplus in this years accounts.

The below is in relation to employees and ex-employees who are members of the NILGOSC pension scheme.

An Actuarial Valuation of the scheme was carried out as at 31 March 2022.

Included within the Group are 2 schemes, APEX Housing Association Limited ("Apex") and Newington Housing Association (1975) Limited ("Newington"). The closing surplus of each scheme has been shown below:

	APEX		Newington		Group	
	2024 £'000	2023 £'000	**2024 £'000**	**2023 £'000**	**2024 £'000**	2023 £'000
Total market value of assets	**51,054**	44,835	**3,733**	3,264	**54,787**	48,099
Unrecognised asset	**(17,347)**	(1,168)	**(305)**	-	**(17,652)**	(1,168)
Present value of scheme liabilities	**(33,707)**	(33,123)	**(3,428)**	(3,192)	**(37,135)**	(36,315)
Net pension asset / (liability)	-	10,544	-	72	-	10,616

APEX Housing Association Limited

The major assumptions used by the actuary were:

	2024	2023
Rate of increase in salaries	**3.25%**	3.75%
Rate of increase in pensions in payment	**2.60%**	2.70%
Discount rate	**4.80%**	4.70%
Inflation assumption	**2.60%**	2.70%

The mortality assumptions used were as follows:

		2024 Years	2023 Years
Average expected future life at age 65 for	- male currently aged 65	**21.7**	**22.2**
	- female currently aged 65	**24.6**	**25.0**
	- male currently aged 45	**22.7**	**23.2**
	- female currently aged 45	**25.6**	**26.0**

Notes to the financial statements for the year ended 31 March 2024 (continued)

24 Pension commitments (continued)

The fair value of the assets in the scheme were:

	2024 £'000	2023 £'000
Equities	**20,269**	18,517
Property	**4,748**	4,708
Bonds	**10,006**	10,402
Multi Asset Credit	**6,637**	5,873
Cash & Other	**9,394**	5,335
Total market value of assets	**51,054**	44,835
Unrecognised asset	**(17,347)**	(1,168)
Present value of scheme liabilities	**(33,707)**	(33,123)
Net pension asset/(liability)	**-**	10,544

Reconciliation of present value of scheme liabilities

	2024 £'000	2023 £'000
At 1 April	**33,123**	48,633
Service cost	**1,029**	2,081
Past service cost	**-**	-
Member contributions	**309**	301
Interest on scheme liabilities	**1,550**	1,310
Actuarial loss/(gain)	**(1,676)**	(18,629)
Benefits paid	**(628)**	(573)
At 31 March	**33,707**	33,123

Reconciliation of fair value of scheme assets

	2024 £'000	2023 £'000
At 1 April	**44,835**	46,713
Expected return on scheme assets	**2,150**	1,287
Actuarial gain/(loss)	**2,241**	(5,053)
Employer contributions	**2,147**	2,160
Member contributions	**309**	301
Benefits paid	**(628)**	(573)
At 31 March	**51,054**	44,835

Analysis of amounts charged to income and expenditure:

	2024 £'000	2023 £'000
Current service cost	**1,029**	2,081
Net interest on pension deficit	**(600)**	23
Interest on unrecognised asset	**55**	
	484	2,104

Notes to the financial statements for the year ended 31 March 2024 (continued)

24 Pension commitments (continued)

Amounts for current and previous five years:

	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets	**51,054**	44,835	46,713	42,970	32,697
Unrecognised asset	**(17,347)**	(1,168)	-	-	-
Present value of defined benefit obligation	**(33,707)**	(33,123)	(48,633)	(48,101)	(37,965)
Asset / (liability)	**-**	10,544	(1,920)	(5,131)	(5,268)

Newington Housing Association (1975) Limited

The major assumptions used by the actuary were:

	2024	2023
Rate of increase in salaries	**4.1%**	4.1%
Rate of increase in pensions in payment	**2.6%**	2.6%
Discount rate	**4.7%**	4.6%
Inflation assumption	**2.6%**	2.6%

The mortality assumptions used were as follows:

		2024	2023
		Years	Years
Average expected future life at age 65 for	- male currently aged 65	**21.7**	**22.2**
	- female currently aged 65	**24.6**	**25.0**
	- male currently aged 45	**22.7**	**23.2**
	- female currently aged 45	**25.6**	**26.0**

The assets in the scheme and the expected rates of return were:

	2024	2023
	£'000	£'000
Equities	**1,482**	1,347
Property	**347**	343
Bonds	**1,217**	1,185
Cash	**463**	193
Other	**224**	196
Total market value of assets	**3,733**	3,264
Present value of scheme liabilities	**(3,428)**	(3,192)
Net pension asset	**305**	72

Notes to the financial statements for the year ended 31 March 2024 (continued)

24 Pension commitments (continued)

Reconciliation of present value of scheme liabilities	2024 £'000	2023 £'000
At 1 April	**3,192**	4,371
Service cost	**175**	337
Member contributions	**48**	48
Interest on scheme liabilities	**147**	118
Actuarial loss/(gain)	**(79)**	(1,632)
Benefits paid	**(55)**	(50)
At 31 March	**3,428**	3,192

Reconciliation of fair value of scheme assets	2024 £'000	2023 £'000
At 1 April	**3,264**	3,154
Expected return on scheme assets	**154**	87
Actuarial gain	**168**	(121)
Employer contributions	**154**	146
Member contributions	**48**	48
Benefits paid	**(55)**	(50)
At 31 March	**3,733**	3,264

Analysis of amounts charged/ (credited) to income and expenditure:

	2024 £'000	2023 £'000
Current service cost	**175**	337
Past service cost	**-**	-
Expected return on pension scheme assets	**(154)**	(87)
Interest on pension scheme liabilities	**147**	118
	168	368

Amounts for current and previous five years:

	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Fair value of employer assets	**3,733**	3,264	3,154	2,926	2,256
Present value of defined benefit obligation	**(3,428)**	(3,192)	(4,371)	(4,255)	(3,169)
Unrecognised Asset	**(305)**				
Deficit	**-**	72	(1,217)	(1,329)	(913)

Notes to the financial statements for the year ended 31 March 2024 (continued)

25 Called up share capital

Association	2024 £	2023 £
Ordinary shares of £1 each, allotted and fully paid		
At 31 March	**29**	28

26 Capital reserve

Association	2024 £	2023 £
At 31 March	**7**	7

27 Supporting people reserves

Association	2024 £	2023 £
At 1 April	-	-
Income	**4,644,289**	4,152,144
Expenses	**(7,818,757)**	(7,015,491)
Transfer from general reserves	**3,174,468**	2,863,347
At 31 March	-	-

This funding is restricted for use in providing housing related support services only.

28 Common fund

Association	2024 £	2023 £
At 1 April 2023 and **31 March 2024**	**20,000**	20,000

29 Capital commitments

Association	2024 £	202 £
Capital commitments contracted for at the balance sheet date amounted to	**162,191,956**	**190,253,420**

30 Director emoluments

The remuneration of directors (defined as the Board and the Management Team of the Association) during the year was:

	2024 £	2023 £
Aggregate emoluments including benefits in kind	**749,911**	722,967
Pension contributions to money purchase schemes	**197,801**	174,032
	947,712	896,999

Notes to the financial statements for the year ended 31 March 45 (continued)

30 Director emoluments (continued)

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

	2024	2023
	£	£
Aggregate emoluments including benefits in kind	**135,654**	130,572
Pension contributions to money purchase schemes	**55,704**	48,604

The number of directors to whom emoluments were paid during the year fall within each of the following bands:

Salary Band:	2023 Number	2022 Number
£135,001 - £140,000	**1**	**1**
£105,001 - £110,000	**2**	**3**
£100,001 - £105,000	**3**	**2**
£95,001 - £100,000	**1**	**1**

Members of the Board serve in a voluntary capacity and none were in receipt of emoluments during the year. Expenses paid to board members during the year amounted to £622 (2023: £829).

31 Notes to cash flow statement

(a) Reconciliation of operating surplus to net cash inflow from operating activities	2024	2023
	£	£
Surplus for the financial year	2,001,301	(2,323,420)
Deficit arising from disposals of fixed assets	1,373,310	3,445,754
Interest receivable and similar income	(482,981)	(121,408)
Interest payable and similar expenses	7,800,469	7,813,758
Other finance costs	545,000	54,000
Operating surplus	11,237,099	8,868,684
Depreciation of tangible assets	11,585,721	8,859,655
Amortisation of housing association grant	(7,024,117)	(5,123,821)
Profit on disposal of tangible assets	(658,548)	208,271
Movement in debtors	(86,201)	1,232,073
Movement in creditors	(144,279)	3,179,858
Movement in inventories	58,868	33,043
Pension movement	(1,140,000)	(101,000)
Net cash inflow from operating activities	13,828,543	17,156,763

Notes to the financial statements for the year ended 31 March 46 (continued)

31 Notes to cash flow statement (continued)

(b) Analysis of net debt	1 April 2023 £	Cash Flows £	31 March 2024 £
Cash at bank and in hand (including cash investments)	26,090,655	(1,010,230)	**25,080,425**
Debt falling due within 1 year	(35,416,335)	(200,495)	**(35,616,830)**
Debt due after more than 1 year	(277,754,276)	(10,767,854)	**(288,522,130)**
	(313,170,611)	(10,968,349)	**(324,138,960)**
Net debt	(287,079,956)	(11,978,579)	**(299,058,535)**

32 Operating lease commitments

At the balance sheet date, the Association and group had a commitment to vehicles of £88,423 (2023: £38,051).

	2024 Other £	2023 Other £
Within one year	**47,799**	26,787
Between two to five years	**40,624**	11,264
Total	**88,423**	38,051

Notes to the financial statements for the year ended 31 March 2024 (continued)

33 Housing Stock – association

Number of units owned on 31 March	2024	2023
General needs housing	**6,046**	5,796
Independent living/ housing for older people (including resident scheme co-ordinator)	**350**	350
Supported housing (including housing with care and nursing)	**559**	559
Total owned	**6,955**	6,705
Number of units managed by (but not owned) on 31 March		
General needs housing	**20**	20
Total units managed at 31 March	**20**	20
Total units owned and managed at 31 March	**6,975**	6,725

34 Contingent liabilities

The Association released Housing Association Grant (net of amortisation) of £440,414 (2023: £355,231) 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 £3,290,162 (2023: £2,849,748). The accumulated amount of Housing Association Grant amortised and recognised as income as at 31 March 2024 is £74,444,702 (2023: £69,542,973) (note 12). 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 Turnover, operating costs and operating surplus

Association	2024			2023		
	Operating turnover	**Operating costs**	**Operating surplus**	Operating turnover	Operating costs	Operating surplus
	£	**£**	**£**	£	£	£
Social Housing Activities	**60,686,415**	**(49,611,497)**	**11,074,918**	53,001,247	(46,125,579)	6,875,668
Non-Social Housing Activities	**3,123,641**	**(5,576,387)**	**(2,452,745)**	4,134,133	(6,960,622)	(2,826,489)
Total	**63,810,056**	**(55,187,883)**	**8,622,173**	57,135,380	(53,086,201)	4,049,179

Notes to the financial statements for the year ended 31 March 2024 (continued)

35 Turnover, operating costs and operating surplus (continued)

	2024						
Association	General Needs Housing £	Independent Living Housing £	Housing with Care £	Supported Housing £	Total Social Housing Activities £	Other Income £	Total £
Income from Social Housing Lettings							
Rent receivable net of service charges	37,616,061	1,338,136	4,743,467	-	43,697,664	-	**43,697,664**
Service charges receivable `	473,457	669,047	1,634,365	-	2,776,869	-	**2,776,869**
Care charges	-	-	3,270,082	53,974	3,324,056	2,263,571	**5,587,627**
Heating charges	4,324	178,988	-	-	183,312	-	**183,312**
Support charges	-	138,971	4,730,784	-	4,869,755	-	**4,869,755**
Management charges	-	-	-	-	-	2,624	**2,624**
Misc. income	-	-	-	-	-	157,414	**157,414**
Commercial	-	-	-	-	-	109,800	**109,800**
Income from Housing Association Grant and House sales	5,995,296	134,226	236,365	-	6,365,887	590,232	**6,956,119**
Gross income from rents and service charges	**44,089,138**	**2,459,368**	**14,615,063**	**53,974**	**61,217,543**	**3,123,641**	**64,341,184**
Less voids	(199,115)	(20,485)	(311,528)	-	(531,128)	-	**(531,128)**
Net Income from rents and service charges	**43,890,023**	**2,438,883**	**14,303,535**	**53,974**	**60,686,415**	**3,123,641**	**63,810,056**

Notes to the financial statements for the year ended 31 March 2024 (continued)

35 Turnover, operating costs and operating surplus (continued)

	2023						
Association	General Needs Housing £	Independent Living Housing £	Housing with Care £	Supported Housing £	Total Social Housing Activities £	Other Income £	Total £
Income from Social Housing Lettings							
Rent receivable net of service charges	33,731,132	1,230,481	3,211,823	-	38,173,436	-	**38,173,435**
Service charges receivable	419,108	571,279	727,795	-	1,718,182	-	**1,718,182**
Care charges	-	-	2,669,862	49,504	2,719,366	2,815,421	**5,534,787**
Heating charges	4,300	140,742	-	-	145,042	-	**145,042**
Support charges	146	129,656	4,300,199	-	4,430,001	-	**4,430,001**
Management charges	-	-	-	-	-	56,701	**56,701**
Misc. income	-	-	-	-	-	132,101	**132,101**
Commercial	-	-	-	-	-	102,150	**102,150**
Income from Housing Association Grant	5,920,614	134,316	234,763	-	6,289,693	1,027,760	**7,317,453**
Gross income from rents and service charges	**40,075,300**	**2,206,474**	**11,144,442**	**49,504**	**53,475,720**	**4,134,133**	**57,609,853**
Less voids	(179,998)	(26,184)	(268,291)	-	(474,473)	-	**(474,473)**
Net Income from rents and service charges	**39,895,301**	**2,180,290**	**10,876,151**	**49,504**	**53,001,247**	**4,134,133**	**57,135,380**

Notes to the financial statements for the year ended 31 March 2024 (continued)

35 Turnover, operating costs and operating surplus (continued)

	2024						
Association	General Needs Housing £	Independent Living Housing £	Housing with Care £	Supported Housing £	Total Social Housing Activities £	Other Costs £	Total £
Operating Costs							
Services	(302,014)	(434,970)	(1,153,831)	-	(1,890,815)	131	**(1,890,684)**
Supporting People Costs	-	(129,081)	(7,713,930)	(53,867)	(7,896,878)	-	**(7,896,878)**
Care Costs	-	-	(4,118,493)	-	(4,118,493)	(4,118,605)	**(8,237,098)**
Rates Payable	(4,156,010)	(163,454)	(102,744)	-	(4,422,208)	(23,547)	**(4,445,755)**
Management Costs	(7,744,029)	(640,476)	(2,550,452)	-	(10,934,957)	(1,025,502)	**(11,960,459)**
Maintenance Administration Costs	(1,256,628)	(47,296)	(365,326)	-	(1,669,250)	(93,919)	**(1,763,169)**
Planned and cyclical maintenance	(1,781,485)	(175,162)	(479,704)	-	(2,436,351)	(129,382)	**(2,565,733)**
Reactive maintenance	(3,444,720)	(194,046)	(219,990)	-	(3,858,756)	(68,241)	**(3,926,997)**
Depreciation of Social Housing	(9,912,248)	(279,137)	(439,017)	-	(10,630,402)	(117,508)	**(10,747,910)**
Other Costs	(203,682)	(160,742)	(1,388,963)	-	(1,753,387)	187	**(1,753,200)**
Total operating costs	**(28,800,816)**	**(2,224,364)**	**(18,532,450)**	**(53,867)**	**(49,611,497)**	**(5,576,386)**	**(55,187,883)**
Operating surplus/(deficit)	**15,089,207**	**214,519**	**(4,228,915)**	**107**	**11,074,918**	**(2,452,745)**	**8,622,173**

Notes to the financial statements for the year ended 31 March 2024 (continued)

35 Turnover, operating costs and operating surplus (continued)

	2023						
Association	General Needs Housing £	Independent Living Housing £	Housing with Care £	Supported Housing £	Total Social Housing Activities £	Other Costs £	Total £
Operating Costs							
Services	(131,260)	(438,449)	(948,440)	-	(1,518,149)	(351,282)	**(1,869,431)**
Supporting People Costs	-	(133,248)	(7,219,462)	(49,241)	(7,401,951)	(38,192)	**(7,440,143)**
Care Costs	-	214,149	(3,356,911)	-	(3,142,762)	(3,645,701)	**(6,788,463)**
Rates Payable	(3,914,046)	(161,502)	(84,464)	-	(4,160,012)	(26,978)	**(4,186,990)**
Management Costs	(7,799,745)	(655,972)	(2,495,777)	-	(10,951,494)	(1,748,813)	**(12,700,307)**
Maintenance Administration Costs	(1,201,679)	(42,997)	(340,787)	-	(1,585,463)	(122,833)	**(1,708,296)**
Planned and cyclical maintenance	(2,388,652)	(187,369)	(807,756)	-	(3,383,777)	(187,897)	**(3,571,674)**
Reactive maintenance	(2,177,843)	(157,233)	(201,118)	-	(2,536,194)	(51,803)	**(2,587,997)**
Depreciation of Social Housing	(9,256,591)	(284,533)	(446,850)	-	(9,987,974)	(106,827)	**(10,094,801)**
Other Costs	-	(165,858)	(1,291,943)	-	(1,457,802)	(680,297)	**(2,138,098)**
Total operating costs	**(26,869,816)**	**(2,013,012)**	**(17,193,508)**	**(49,241)**	**(46,125,578)**	**(6,960,623)**	**(53,086,200)**
Operating surplus/(deficit)	**13,025,486**	**167,278**	**(6,317,357)**	**263**	**6,875,670**	**(2,826,489)**	**4,049,179**

Notes to the financial statements for the year ended 31 March 2024 (continued)

35 Turnover, operating costs and operating surplus (continued)

DfC Management Allowances – General Needs	2024 Total £	2023 Total £
Management Allowances	**2,289,672**	2,187,504
Management costs	**(7,744,030)**	(7,799,745)
Surplus/(Deficit)	**(5,454,358)**	(5,612,241)
DfC Maintenance Allowances – General Needs		
Maintenance Allowances	**2,865,624**	2,746,253
Maintenance administration costs	**(1,256,628)**	(1,201,679)
Planned and cyclical maintenance	**(1,781,485)**	(2,388,652)
Reactive maintenance	**(3,444,720)**	(2,177,843)
Surplus/(Deficit)	**(3,617,209)**	(3,021,921)
Gross Income from Rents and service charges		
Technical	**44,482,533**	37,294,501
Non-Technical	**12,101,566**	12,232,475
Total	**56,584,099**	49,526,976

36 Particulars of lettings

Association	2024 £	2023 £
Rent and service charges	**52,245,472**	45,571,447
Less: rent losses from bad debts and voids	**(531,128)**	(474,472)
Supporting people and other subsidies	**4,869,755**	4,430,001
	56,584,099	49,526,976

37 Related party disclosures

One member of the Board is a leaseholder of the Association. Rents and service charges are charged at full rental rates. This board member retired on 20th September 2023 and plans are progressing to recruit a replacement.

Apex Housing Association (Ireland) Limited, Fairbuild Homes (NI) Ltd and Newington Housing Association (1975) Limited are regarded as a related party as defined by section 33 FRS 102 due to the fact that a number of directors of these companies are also members of the Board of Apex Housing Association Limited.

The transactions and balances due from/to these related parties during the financial year were as follows:

Notes to the financial statements for the year ended 31 March 2024 (continued)

37 Related party disclosures (continued)

	2024	2023
	£	£
Apex Housing (Ireland) Limited	**4,922,426**	4,570,820
Fairbuild Homes (NI) Ltd	**1,216**	-
Newington Housing Association (1975) Limited	**47,793**	45,170
Amount owed from related party at 31 March	**4,971,435**	4,615,990

	2024	2023
	£	£
Apex Housing Association (Ireland) Limited		
Amount owed from related party at 1 April	**4,570,820**	4,285,157
Management and administration charge to Apex Housing Association (Ireland) Limited	**67,747**	73,894
Expenditure paid on behalf of Apex Housing Association (Ireland) Limited	**802,507**	211,769
Amounts written off	**(500,000)**	-
(Receipts from)/payments to Apex Housing Association (Ireland) Limited	**(18,648)**	-
Amount owed from related party at 31 March	**4,922,426**	4,570,820

Fairbuild Homes (NI) Ltd ("Fairbuild Homes")		
Amount owed from related party at 1 April	-	101,558
Management and administration charge to Fairbuild Homes	**325**	1,361
Amounts written off	**(5,500)**	(114,380)
Expenditure paid on behalf of Fairbuild Homes	**6,391**	11,461
Receipts from Fairbuild Homes	-	-
Amount owed from related party at 31 March	**1,216**	-

Newington Housing Association (1975) Limited		
Amount owed from related party at 1 April	**45,170**	42,851
Expenditure paid on behalf of Newington Housing Association	**2,623**	2,319
Receipts from Newington Housing Association	-	-
Amount owed from related party at 31 March	**47,793**	45,170

Apex Housing Association Limited

Northern Ireland - Charity number 106107

Annual report

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

The Board present their strategic report together with the audited financial statements for the year ended 31 March 2024 of Apex Housing Association Limited (the "Association") and its subsidiaries (the "Group"). This report includes required disclosures of the Trustees Report for charity law purposes.

Principal activity

Apex Housing Association Limited ("Apex") is a major housing association managing a stock of some 6,975 homes, which will grow to over 8,500 when our current planned programmes are completed. Our business is housing and associated care and support services; and from tiny beginnings in 1965 in Derry~Londonderry, we have grown into a substantial not-for-profit housing association, led by volunteers working to social enterprise principles. We employ some 648 staff throughout the organisation and provide:

- General needs housing for families and single people
- Purpose-built accommodation for older people and families with complex needs
- Supported housing for people with mental health difficulties, learning disabilities, alcohol/drug addictions, those who are physically disabled and young people in need of support
- Housing support for vulnerable groups under the Supporting People programme
- Support services for tenants and the wider community through our community investment programme
- Community buildings under the management of local communities

Apex works across Northern Ireland in delivering social and affordable housing through the Apex Voluntary Housing Group structure. Our not-for-profit subsidiary company, Fairbuild Homes (NI) Ltd, provides affordable housing for sale but remains dormant at this time.

Newington Housing Association (1975) Limited ("Newington") is also a member of the Apex Group. Newington has its own board of management and manages a housing stock of around 720 units in North Belfast. Support and cooperation is fostered through the Group structure, allowing Apex and Newington to use their resources efficiently for mutual benefit.

What Guides us?

Our Corporate Strategy 2023 – 2026 provides us with strategic themes and objectives which set the direction of travel for everything we will do over the 3-year period. We need this to give us a focus and to make sure we are working towards common goals. To ensure we achieve these goals, the Business Plan section sets specific tasks annually for each of the 3 years. These are measurable and the outcomes are reported to the Board of Management and to shareholders at the Annual General Meeting.

The Strategy has been shaped by feedback from employees, tenants, and board members. It sets out our priorities to build on the success of the previous plan and introduces new initiatives to help deliver our aims. The themes of the Corporate Strategy feed into staff appraisals, training and development initiatives, team action plans and key performance indicators.

Apex does not operate in isolation, but instead is influenced by and must react effectively to changing contexts, not only within the housing and care sectors but also within the societal and community fabric. In the same way we must learn from our own recent past, using our experiences both good and bad, to help us plan ahead.

Due to the hard work and commitment of our staff over the lifetime of the previous Corporate Strategy 2020-2023, Apex has performed well and remains in a strong position despite challenging times.

By pulling together in the same direction we can continue our success and make a real difference to people's lives.

Strategic report of the Board for the year ended 31 March 2024 (continued)

What we value

Our Corporate Strategy gives us direction for the current 3-year period from 2023 – 2026, however our vision, mission and values will run beyond that period and underpin everything we do as an organisation, both collectively and individually.

Our Vision

For every person to enjoy great quality homes and support, in vibrant and caring communities.

Our Mission

To lead the way in building sustainable communities through the delivery of quality, affordable homes including tailored support and care services.

Our Values

We care
We want to make a positive difference to people's lives.

We take ownership
We are all responsible for ensuring we deliver our mission.

We do things well
We lead the way; we aim to get it right and to continuously improve.

We work together
We collaborate to get the best result.

We show respect
We are respectful and courteous to everyone we come in contact with.

Factors influencing our plan

Apex recognises that as we continue on our journey there are factors that will influence implementation of our plan.

We will continue to identify, assess and manage the risks, challenges and opportunities arising, in pursuit of delivering our vision.

These include:

- Ensuring effective governance
- Ensuring compliance
- Ensuring tenancy sustainment
- Implementing Welfare Reform
- Managing our finances
- Responding to the increase in housing stress
- Reducing our carbon footprint

Strategic report of the Board for the year ended 31 March 2024 (continued)

Future plans

We have consistently invested significant time and effort in governance and our robustness here is demonstrated by many positive audits and inspections and strong performance against core DfC standards. We have committed and effective staff in place, continually working to improve our systems, processes, and procedures. We have top quality office accommodation and have been successful in attracting high calibre voluntary board members.

When we are at our best we are up there with other top performing organisations. Our customers are looking for something straightforward: a responsive, reliable, and timely service offering value for money. While the majority get that service, we must strive to identify any weaknesses that adversely impact upon our performance. Using our strong work ethic, we will continue to direct our energies to improving our weaker areas and tackling issues before they become problems. Implementation of the 'Tenant and Resident Engagement Strategy 2023-2026' will help us ensure a strong customer focus and better service delivery which underpin our overall direction of travel.

Strategic priorities

Our analysis of the issues has determined that our objectives and tasks fall under five strategic priorities. By firmly committing to priority 1.0 – Sustainable communities; we will maximise our hopes of achieving all our objectives across priorities 2.0 to 5.0.

1.0 Sustainable communities
2.0 High quality, energy efficient homes
3.0 Quality Supported Living
4.0 An effective and efficient organisation
5.0 Skilled people and teams

The board has refreshed our medium-term corporate strategy for 2023-2026, in response to the current and expected operating environment and building on what we have achieved to date. This sets out a number of initiatives and activities to be undertaken or commenced in the current 3 years.

What we achieved 2020-23

- Delivered over 700 brand new homes for new tenants.
- Engaged with over 11,000 people through events and activities.
- Completed 450 disabled adaptations for tenants.
- Completed 80,000 repairs and spent over £10m on planned and cyclical upgrades.
- Accessed £0.85m of additional benefits for tenants through our welfare advice service.
- Awarded the highest DfC regulatory rating.
- Retained our investment grade credit rating.
- Secured £100m in bond finance.
- Received a CIH award for greener environment and stronger community initiative.

What we plan to do 2023-26

Priority 1 – Sustainable communities

- Deliver reliable, high quality, effective and efficient services to tenants and service users.
- Promote tenancy sustainment and respond appropriately to the changing needs of tenants.
- Work in partnership with others to provide wider community support.
- Promote tenant engagement and community investment.

Priority 2 – High quality, energy efficient homes

- Deliver an ambitious growth programme.
- Consider new housing models.
- Provide well maintained homes.
- Deliver energy efficient homes.

Strategic report of the Board for the year ended 31 March 2024 (continued)

Priority 3 – Quality supported living

- Deliver high-quality, cost-effective support and care services.
- Review service delivery, ensuring it remains strategically relevant and meets service user needs.

Priority 4 – An efficient and effective organisation

- Ensure effective governance and compliance.
- Grow the balance sheet, while meeting key financial targets.
- Work to meet government's social and affordable housing agenda.
- Deliver cost effective services.
- Ensure sustainability.
- Implement effective and efficient ICT solutions.
- Communicate effectively to drive service improvement.

Priority 5 – Skilled people and teams

- Improve workforce stability.
- Implement an effective and efficient organisational structure.
- Equip staff with the appropriate skills and knowledge to deliver high quality services.

Community Investment

Apex works across a range of vibrant and diverse communities throughout Northern Ireland and increasingly sees the need to target this work beyond our core business activities. This is necessitated by the considerable pressures society in general continues to face in a challenging economic climate. As a social landlord, we see every day the impact of a range of factors on our communities.

Apex therefore seeks to deliver a range of programmes and services that instigate positive change and make a fundamental difference to people's lives, thereby making our communities better places to live.

Through investing in people, property, and the environment, we aim to make a positive difference.
To help achieve our aim, we work with several community partners to enable tenants and residents to access a range of initiatives including self-development programmes, advice on health and well-being, budgeting and employment opportunities.

By enhancing our engagement in community investment activities, we have established Apex as one of the leading socially responsible organisations in Northern Ireland. We want to continue with this important work to ensure that we continue to build thriving communities where people want to live and work.

Key Areas

The "Community Investment Strategy 2023-2026" has been developed with the aim of supporting our communities beyond our core landlord purpose and provides a focus to ensure we are working towards our common goals which in turn have been shaped by feedback from stakeholders including tenants, community groups and employees. They target the following five pillars of activity:

- Community Empowerment & Engagement
- Health & Well-Being
- Financial Well-Being
- Work & Learning
- Volunteering

We will continue to use our influence and knowledge, work in partnership and source additional funding to deliver a range of collaborative services. These services will aim to instigate positive change and make a fundamental difference to people's lives; also contributing to wider community benefits.

Strategic report of the Board for the year ended 31 March 2024 (continued)

What we achieved 2020-23

- Supported more than 100 allotment users with an on-site horticulturalist.
- Helped more than 1,200 tenants through our Welfare Advice Service.
- Delivered more than 200 community events through the Housing for All initiative.
- Provided more than 70 meals per week through our Luncheon Club service.
- Delivered almost 65,000kg of food to local communities.
- Supported almost 200 households though our Community Supermarket.
- Raised more than £60k to support community projects in Tanzania.

What guides us 2023-2026

The 'Community Investment Strategy 2023-2026' has a range of programmes aimed at the individual, the wider community and the environment. Within the strategy we have considered the following themes:

Themes

Theme 1 – Enable people to fulfil their aspirations

- Support people to make informed decisions about their lives and increase their independence.
- Support people to recognise their potential by increasing their motivation, confidence, skills, and knowledge.

Theme 2 – Enable successful communities

- Provide opportunities for people to participate in making decisions about their communities.
- Support people to fulfil their vision and aspirations for their community and between communities.
- Promote and encourage diversity and good relations in all housing developments and particularly within areas where there is 'shared housing'.
- Develop biodiversity and sustainability initiatives within our communities.

Theme 3 – Promote positive partnerships within communities

- Support charities, social enterprises, and SMEs within our communities.
- Support the development of economic activity within the areas that we work.
- Maximise the social value impact for our communities within Apex development contracts.

Sustainability

Housing associations play an integral role in the provision of affordable and safe homes, as well as responding to wider issues of social inequality and climate change. Therefore, Apex have developed our 'Sustainability Strategy 2023-2026'. The strategy sets out our plans for the next three-year period; focusing on key actions to make a real, measurable impact within our association and communities, as well as contributing to the achievement of government sustainability targets.

Our vision for this sustainability strategy has been developed to help us integrate sustainability into all aspects of our work; from the homes we build, to the way we run our association and how we support our communities.

Strategy

In order to achieve our vision, we have developed six drivers of our strategy, with the overarching aim of contributing to the UN Sustainable Development Goals (UN SDGs).

1. Supporting residents and communities
2. Climate action
3. Environmental protection
4. Affordability
5. Supporting our people
6. Strong governance

Strategic report of the Board for the year ended 31 March 2024 (continued)

In turn, these six drivers will inform three key areas for target and action.

Target 1 – Sustainable homes

- Reduced fuel poverty
- Reduced carbon emissions
- Good quality, affordable homes
- Improved biodiversity
- Reduced resource use

Target 2 – Sustainable association

- Reduced carbon emissions from association
- Reduced resource use
- Supported and motivated staff
- Increased transparency and accountability

Target 3 – Sustainable communities

- Community pride and ownership
- Increased community support
- Improved health and wellbeing
- Net biodiversity gain in local areas
- Reduced carbon emissions across communities

Throughout 2023-2026 we will continuously monitor and periodically evaluate the success of the Sustainability Strategy.

Operating Performance

Apex measures performance through a range of key indicators which are reviewed quarterly.

Indicator	23/24 result	22/23 result
Average no. of staff employed during the year	**636**	645
Working time lost	**8.72%**	7.57%
Staff turnover	**14.32%**	20.54%
Units started	**27**	553
% of total NI starts	**1.79%**	28.27%
Voids % of total stock	**0.64%**	0.93%
Total arrears %	**7.29%**	7.39%
Repairs completed within response time	**88.64%**	88.98%
Operating margin (Group)	**14.8%**	14.4%
Retained surplus/(deficit) for the year (after pension changes) (Group)	**(£10.28m)**	£11.6m

Our People

Our staff are one of our most valuable assets. Apex provides a comprehensive employment package including access to pension schemes, on-going training and development, and access to a range of employee well-being initiatives.

Board of Management

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 Chief Executive and Senior Management Teams of each group company.

Gender analysis

7 members of the Board are male and 5 are female. The Senior Management Team is comprised of 3 males and 4 females. The association has 648 employees of which 21% are male and 79% are female.

Strategic report of the Board for the year ended 31 March 2024 (continued)

Events after the balance sheet date

There are no significant events that have occurred after the balance sheet date that would affect the financial statements.

Value for Money (VFM)

Apex is fully committed to achieving value for money (VFM). We recognise that we need to continue to push our performance and capacity up to higher levels if we are to meet the goals and targets set by our board. During 2024/25 we will continue to publish a VFM statement and continually monitor and report performance against that statement.

Return on social investment

Apex continues to deliver its community investment programme as set out in the note above. During the course of 2024/25, Apex will work towards the delivery of this programme and measure its outcomes for reporting to the board and stakeholders during the year.

Status

Apex Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP125) and is a Registered Housing Association with the Department for Communities (NI) – No. R23. The Association is a registered charity (Registration no. NIC106107).

Newington Housing Association (1975) Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (IP000158) and is a Registered Housing Association with the Department for Communities (NI) – No. R13. The Association is a registered charity (Registration No. NIC102477).

Risk Management

Internal and external risk evaluation remains integral to the formulation of our business strategy. Our Board and Senior Management Team has maintained its ongoing programme of risk review throughout the year, and our most significant risks currently facing the organisation are shown below. These, along with the other main business risks captured on the strategic and key risk register, are reviewed by the Board on at least a quarterly basis.

- Failure to deliver on the Social Housing Development Plan.
- Failure to secure adequate revenue funding for the proper management of Supported Living accommodation resulting in increasing revenue deficits.
- NI Water – network capacity which could impact on development plans.
- Financial impact of increased nursing care costs resulting in growing deficits in nursing schemes.
- Financial impact of the NILGOSC defined benefit pension scheme affecting annual accounts.
- Requirement under PPN 02/22 on the use of NEC4 engineering and construction contracts which must use X clauses for inflation and changes in the law resulting in cost increases.
- Failure to have a robust and transparent procurement process in place resulting in challenges from unsuccessful contractors and wider public criticism.
- Failure to recruit and retain skilled and experienced staff.
- Financial impact of potential future delivery of affordable homes and mixed tenure developments.
- Failure of subsidiary and associated companies to meet their performance targets leading to increasing intercompany financial support.
- Failure to ensure effective adult safeguarding leading to breach of regulatory requirements and poor levels of care.
- Failure to manage the risk of fraud resulting in considerable financial losses and serious reputational damage.
- Levels of voids in supported living accommodation leading to increasing deficits.
- Failure to implement good governance resulting in breach of regulatory requirements, reputational damage and impacting on future viability.
- Failure to comply with General Data Protection Regulations.
- Health and Safety risks relating to fire safety in apartments.
- Risk of cyber-attack resulting in theft or loss of data and access to IT systems.

Strategic report of the Board for the year ended 31 March 2024 (continued)

Performance in the year ended 31 March 2024

During the year the number of homes in management in Apex Housing Association increased by 250 units (3.71%) to 6,975. There were 280 completions, 24 house sales to tenants, and 6 shared ownership buy-outs. There were 1,373 units under development at 31 March 2024. Homes under management within the Apex Housing Group increased by 254 units (3.41%) to 7,695 (net of sales and shared ownership completions).

£57.8m was spent on developing housing properties during the year, partly funded by £8.4m of Housing Association Grant.

Association turnover increased to £63.8m (11.68%) from £57.1m in 2023. Turnover from shared ownership sales (first tranche) was £Nil in 2024, whereas this was £0.6m 2023. Operating costs increased from £53.1m in 2023 to £55.2m in 2024. Net financing costs increased by £0.2m to £7.5m. Deficit for the year was £10.6m (including actuarial loss of £12.2m on the NILGOSC defined benefit scheme) compared with a surplus of £9.5m in 2023 (including actuarial gain of £12.4m).

Following discussions with external third-party advisors, Apex has not recognised any surplus on the NILGSOC defined pension scheme this year. Last year there was a recognised asset of £10.5m however there has been a recommendation to change the default position going forward, as it is uncertain as to whether this surplus (calculated for Financial Reporting purposes) will be recoverable via reduced future contributions (calculated for pension funding purposes). The impact of this change created a large loss of £12.2m on the accounting treatment of the NILGOSC defined benefit scheme during the year. Excluding this, the association incurred a surplus of £1.58m on ordinary activities. This was a considerable improvement on the corresponding loss of £2.87m reported in 2023 and is attributable to the Association increasing rents by 9% for general needs properties to mitigate against the impact of inflation as well as an increase of £2.3m in supported living rents arising from a review of costs and charges. The association also leased a loss-making nursing home to another operator in February 2023 with the full year impact of this benefitting performance in 2023/24. Work is continuing to secure further increases in income for supported living schemes via discussions with the local health trusts and NIHE Supporting People team.

Group turnover increased to £69m (11.47%) from £61.9m in 2023. Group operating costs increased from £56.8m in 2023 to £59.3m in 2024. Group operating surplus for 2023 of £8.9m increased to a group surplus of £11.2m in 2024 as a result of the impact on the parent set out above. There was a total retained deficit for the year of £10.3m compared to a surplus of £11.6m for 2023, however this was due to an decrease in the accounting value of the defined benefit pension scheme accounting for a recognised loss of £12.2m in 2024 compared to a gain of £13.9m in 2023.

Expected performance in the year ended 31 March 2025

It is planned that 361 additional units will be completed during the year increasing stock owned or managed by the group to over 8,050.

By Order of the Board

Ms S McCallion
Honorary Secretary
18 September 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 Apex Housing Association Limited (the "Association") and its subsidiaries (the "Group"). This report includes required disclosures of the Trustees Report for charity law purposes.

Board of Management

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 Chief Executive and the Senior 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, which are in the strategic report, are included in this report by cross reference.

Average staff numbers decreased from 645 in 2023 to 636 in 2024. There are limited plans for additional outreach schemes due to funding constraints and therefore staff numbers are not anticipated to increase significantly in the coming financial year. Staff turnover was 14.32% (2023: 20.54%) and the average absence percentage was 8.72%, up from 7.57%, in the previous financial year.

Principal risks and uncertainties

Performance in the voluntary housing sector is affected greatly by central government decisions on matters of social and care provision in the community, housing policy, planning issues, land and construction costs, shortage of qualified nursing staff, demographic trends, energy prices, pension costs and budgetary constraints in the Northern Ireland budget. The board and senior management carry out quarterly reviews of risks and identify control measures to manage them. Some of the top key risks identified by the Association during 2024 were; funding levels in supported living schemes; voids in supported living accommodation; difficulties in recruiting nursing and other staff; financial impact of the NILGOSC defined benefit pension scheme on the accounts; cyber security; failure of subsidiaries to meet performance targets; financial impact of potential future delivery of affordable homes and mixed tenure developments; failure to ensure effective adult safeguarding; NI Water insufficient network capacity impacting on development plans; fraud; failure to ensure good governance and compliance; failure to comply with General Data Protection Regulations; fire safety in apartments; and potential challenges from unsuccessful contractors if proper procurement processes are not robust.

Key performance indicators

Development

New sites starts achieved: 27 (1.79% of DfC programme)

Housing Management

	2024	2023
Allocations	**945**	798
Rent Collection	**99.92%**	99.66%
Total Arrears	**7.29%**	7.39%
Non-technical Arrears as % of NT turnover	**14.04%**	14.35%
Voids as % of rent receivable	**0.98%**	1.0%
Voids as % of housing stock	**0.64%**	0.93%
Response maintenance within time	**88.64%**	88.98%

Report of the Board for the year ended 31 March 2024 (continued)

Environment

The Association 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.

Health and safety

The Association has a dedicated health and safety officer who is dedicated to achieving the highest practical standards in health and safety management. The development and property services teams also ensure all sites and offices are safe environments for employees and tenants alike.

Human resources

The Association's most important resource is its people; their knowledge and experience are crucial in meeting tenants' requirements. Retention of key staff is critical and the association has various strategies and plans in place to develop capacity in our teams.

Financial risk management

The Association's operations expose it to a variety of financial risks that include the effects of changes in interest rate risk, liquidity risk and currency risk. Responsibility for the management of risk is delegated to the Finance Committee.

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

Currency risk

The Association does not engage in foreign currency transactions and so is not exposed to foreign exchange risk.

Donations

The Association made charitable donations amounting to £12,000 during the financial year (2023: £5,790). No donations for political purposes were made during the financial year (2023: £Nil).

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the company.

Report of the Board for the year ended 31 March 2024 (continued)

Going concern

The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The Board considered the new financial plan for 2024/25 and beyond at their meeting held on 29th May 2024. This plan included various assumptions and stress-testing around a range of scenarios and considered any mitigations that may need to be put in place depending on the outputs of each scenario. For this reason, they continue to adopt the going concern basis in preparing the financial statements and are confident that the Group will be a going concern for at least 12 months from the date of this report.

Status

The Association is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (Registered number IP125) and is a Registered Housing Association (R23). The Association is a recognised charity for Inland Revenue purposes (Charity number: XN48080). The Association is also registered with NI Charities Commission (Charity number: NIC106107).

Board of Management

The members of the Board of the Association are listed on page 1.

Each member of the Board holds one fully paid share of £1 in the Association.

In accordance with the Rules of the Association, Mr Philip O'Flaherty, Ms Linda Watson and Ms Alison Wallace are due to retire by rotation and being eligible, offer themselves for re-election. Mr John Meehan, Mr Sean McKenna and Ms Rachel Naylor are also due to retire, however are not seeking re-election.

Statement of the responsibilities of the Board

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

The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of the Group and Association's affairs and of its surplus or deficit for that period. In preparing those financial statements the Board is required to:

- select suitable accounting policies and then 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 in business.

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 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. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and detect fraud and other irregularities. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of 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 Group and Association'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 Group and Association's auditors are aware of that information.

Report of the Board for the year ended 31 March 2024 (continued)

Statement on internal control

The Board acknowledges its ultimate responsibility for ensuring that Apex Housing Association Limited has in place a robust system of internal controls which is appropriate for the various business environments in which it operates and supports the achievement of the Group and Association's policies, aims and objectives whilst safeguarding its funds and assets.

Apex Housing Association Limited was established in October 1965 and has in place a range of internal controls which are and will continue to be reviewed on an annual basis.

The system of internal control is designed to manage risk to an acceptable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to achieving the Associations' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place throughout the financial year ended 31 March 2024 and up to the date of approval of the annual report and financial statements and this accords with recommended Treasury guidance.

The setting of risk appetite by the Board, and identification and assessment of the impact of risk, is incorporated into the corporate planning and decision-making processes of the Association. Consequently, the Association ensures that there are procedures in place for verifying that internal controls and aspects of risk management are regularly reviewed and reported on.

During 2023/24 a number of measures were implemented to enhance the systems of internal control in place. These included:

1. Implementation of the Risk Management Framework.
2. Regular reporting to the Audit and Risk Committee and other Committees and the Board.
3. Annual review of the Risk Management Framework and setting of the risk appetite for 2024-25.
4. Implementation of the Decision Time Goals IT module to manage and report on key performance.
5. Delivery of training.
6. Further development of the risk and governance arrangements through review and implementation of a revised system of KPI monitoring and reporting, effective from 1st April 2024.
7. Commenced development of an overarching policy for 'notifiable events' reporting to ensure compliance with external reporting requirements.
8. Reviewed the current policy management and review procedures and agreed a new IT system for policy management, to be introduced during 2024-2025.

In addition to the actions outlined above, in the coming financial year the Association plans to:

1. Continue to operate the Risk Management Framework.
2. Ensure that the Association's Audit and Risk Assurance Committee continues to review the risk framework at its meetings.
3. Implement the systems for managing and reporting on key performance through the Decision Time IT software and embed the revised KPI reporting system.
4. Continue to deliver appropriate training for staff, Audit and Risk Committee members and Board members.
5. Strengthen the systems for ensuring compliance with external reporting requirements through implementation of an overarching policy for 'notifiable events' reporting.
6. Implement the revised system for policy management and review

As an integral part of its corporate planning process, the Board sets the risk appetite and the inherent risks for each corporate objective are identified and assessed for impact and likelihood using a risk matrix. The Association updates its risk registers, identifying the controls necessary to mitigate against each risk, assessing the residual risk, identifying further actions to be taken and assigning risk ownership to relevant staff.

These risks are reported to and managed by the relevant Committee of the Board and by the Audit and Risk Assurance Committee, who review and report to the Board on risk management issues. Risk is reviewed on a quarterly basis and the Board is informed of any emerging issues. The Committee receives regular reports on the implementation of internal and external audit reports and meets with the auditors on a regular basis. The Committee will commission further reports on specific issues where they feel this is necessary.

The Board has responsibility for reviewing the effectiveness of the system of internal control. Its review of the effectiveness of the system of internal control is informed by the work of the internal auditors and those within the company who have responsibility for the development and maintenance of the Association's internal control framework and comments made by the external auditors in their reporting.

A plan to address weaknesses and ensure continuous improvement of the system is ongoing. The Board has been informed by internal and external audit on the adequacy and effectiveness of internal controls operating within the Association. In the internal auditors report they have stated that in their opinion the Association's internal control systems were adequate and operated effectively thereby providing satisfactory assurance regarding the effective and efficient achievement of the Association's objectives; however a number of recommendations were made and an implementation plan is in place to address these.

Progress on issues raised by internal and external audit continues to be formally monitored through the Audit and Risk Assurance Committee.

Taking all of these matters into account the Board is suitably content that the internal control framework in operation within the Association.

Statutory auditors

The auditors, Sumer AuditCo NI Ltd, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board



Ms S McCallion
Honorary Secretary
18 September 2024

Apex Housing Association Limited

Northern Ireland - Charity number 106107

Annual return

Statutory auditors' report to Apex Housing Association Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Apex Housing Association Limited ("the Association") and its consolidated undertakings ("the Group") for the year ended 31 March 2024 which comprise: the Consolidated and Association Statements of Comprehensive Income, the Consolidated and Association Statements of Changes in Reserves, the Consolidated and Association Statements of Financial Position and the Consolidated Cash Flow Statement and the related notes, which include a description of the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Housing SORP – Statement of Recommended Practice for Social Housing Providers.

In our opinion, the Consolidated and Association financial statements:

- give a true and fair view of the state of the affairs of the Group and of the Association as at 31 March 2024 and of the income and expenditure of the Group and of the Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969), the Housing (Northern Ireland) Order 1992, the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993, the Charities Act (Northern Ireland) 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.

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' responsibility for the audit of the financial statements section of our report.

We are independent of the Group and the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. The Board is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of our knowledge and understanding of the Group and the Association obtained in the course of the audit, we have not identified material misstatements in the Report of the Board and the Strategic Report.

We have nothing to report in respect of the following matters where the Charities (Northern Ireland) Act 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 require us to report to you if, in our opinion:

- the information given in the Report of the Board and the Strategic Report is inconsistent in any material respect;
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required to complete our audit.

We have nothing to report in this regard.

Under the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969) 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's financial statements are not in agreement with the accounting records.

We have nothing to report in this regard.

Responsibilities of the Board

As explained more fully in the Board's Statement of Responsibilities on page 15, the Board of Management 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 of Management 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.

In preparing the financial statements, the Board is responsible for assessing the Group's and 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 they either intend to liquidate the Group and the Association or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibility 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 Group and the Association for fraud and identified the greatest potential for fraud in the following areas: management override of controls relating to posting of journals. To address this risk we discussed the risks with client management and designed audit procedures to test 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. This description forms part of our auditors' report.

Use of our report

This report is made solely to the Board in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969) and article 19 of The Housing (Northern Ireland) Order 1992. Our audit work has been undertaken so that we might state to the Board those matters 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 Association and the Board, for our audit work, for this report, or for the opinions we have formed.

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

18 September 2024

Apex Housing Association Limited

Northern Ireland - Charity number 106107

Accounts

Registered number IP125

Apex Housing Association Limited

Annual report and financial statements

for the year ended 31 March 2023

Apex Housing Association Limited

Annual report and financial statements for the year ended 31 March 2023

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Board and advisers

Board

Mr P Caldwell (Chairperson)
Mr J Meehan (Treasurer)
Mr D McKenna – resigned 21/09/2022
Mr M Doherty BSC Hons, MSC
Dr R Naylor
Mr S McKenna
Ms C Cooke
Ms L Watson
Ms A Wallace
Mr P O'Flaherty
Mr L Hannaway
Ms M Nicholson
Mr C McQuillan – joined 30/11/2022

Chief executive and honorary secretary

Ms S McCallion

Registered Office

10 Butcher Street
Londonderry
BT48 6HL

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 – Registered number IP125
Registered under the Housing (NI) Order 1992 - No R23
Registered with the Charity Commission Northern Ireland - No NIC106107
Registered with the Fair Employment Commission
Registered under Data Protection Act – No X3488333

Bankers

AIB
Meadowbank
Strand Road
Londonderry
BT48 7TN

Solicitors

Arthur Cox
Capital House
3 Upper Queen Street
Belfast
BT1 6PU

Independent Auditors

ASM (B) Ltd
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 together with the audited financial statements for the year ended 31 March 2023 of Apex Housing Association Limited (the "Association") and its subsidiaries (the "Group"). This report includes required disclosures of the Trustees Report for charity law purposes.

Principal activity

Apex Housing Association Limited ("Apex") is a major housing association managing a stock of some 6,725 homes, which will grow to over 8,500 when our current planned programmes are completed. Our business is housing and associated care and support services; and from tiny beginnings in 1965 in Derry~Londonderry, we have grown into a substantial not-for-profit housing association, led by volunteers working to social enterprise principles. We employ some 621 staff throughout the organisation and provide:

- General needs housing for families and single people
- Purpose-built accommodation for older people and families with complex needs
- Supported housing for people with mental health difficulties, learning disabilities, alcohol/drug addictions, those who are physically disabled and young people in need of support
- Housing support for vulnerable groups under the Supporting People programme
- Support services for tenants and the wider community through our community investment programme
- Community buildings under the management of local communities

Apex works across Northern Ireland in delivering social and affordable housing through the Apex Voluntary Housing Group structure. Our not-for-profit subsidiary company, Fairbuild Homes (NI) Ltd, provides affordable housing for sale. FairShare is an innovative shared ownership scheme developed by Apex. The scheme enables Apex and other housing associations in Northern Ireland to give homebuyers the opportunity to buy a share of their new home now, with the option of buying the rest later. Through FairShare, homebuyers can buy a share of a newly constructed home directly from a housing association, or from a private developer.

Newington Housing Association (1975) Limited ("Newington") is also a member of the Apex Group. Newington has its own board of management and manages a housing stock of around 716 units in North Belfast. Support and cooperation is fostered through the Group structure, allowing Apex and Newington to use their resources efficiently for mutual benefit.

What Guides us?

Our Corporate Strategy 2023 – 2026 provides us with strategic themes and objectives which set the direction of travel for everything we will do over the 3-year period. We need this to give us a focus and to make sure we are working towards common goals. To ensure we achieve these goals, the Business Plan section sets specific tasks annually for each of the 3 years. These are measurable and the outcomes are reported to the Board of Management and to shareholders at the Annual General Meeting.

The Strategy has been shaped by feedback from employees, tenants, and board members. It sets out our priorities to build on the success of the previous plan and introduces new initiatives to help deliver our aims. The themes of the Corporate Strategy feed into staff appraisals, training and development initiatives, team action plans and key performance indicators.

Apex does not operate in isolation, but instead is influenced by and must react effectively to changing contexts, not only within the housing and care sectors but also within the societal and community fabric. In the same way we must learn from our own recent past, using our experiences both good and bad, to help us plan ahead.

Due to the hard work and commitment of our staff over the lifetime of the previous Corporate Strategy 2020-2023, Apex has performed well and remains in a strong position despite challenging times.

By pulling together in the same direction we can continue our success and make a real difference to people's lives.

Strategic report of the Board for the year ended 31 March 2023 (continued)

What we value

Our Corporate Strategy gives us direction for the current 3-year period from 2023 – 2026, however our vision, mission and values will run beyond that period and underpin everything we do as an organisation, both collectively and individually.

Our Vision

For every person to enjoy great quality homes and support, in vibrant and caring communities.

Our Mission

To lead the way in building sustainable communities through the delivery of quality, affordable homes including tailored support and care services.

Our Values

We care
We want to make a positive difference to people's lives.

We take ownership
We are all responsible for ensuring we deliver our mission.

We do things well
We lead the way; we aim to get it right and to continuously improve.

We work together
We collaborate to get the best result.

We show respect
We are respectful and courteous to everyone we come in contact with.

Factors influencing our plan

Apex recognises that as we continue on our journey there are factors that will influence implementation of our plan.

We will continue to identify, assess and manage the risks, challenges and opportunities arising, in pursuit of delivering our vision.

These include:

- Ensuring effective governance
- Ensuring compliance
- Ensuring tenancy sustainment
- Implementing Welfare Reform
- Managing our finances
- Responding to the increase in housing stress
- Reducing our carbon footprint

Strategic report of the Board for the year ended 31 March 2023 (continued)

Future plans

We have consistently invested significant time and effort in governance and our robustness here is demonstrated by many positive audits and inspections and strong performance against core DfC standards. We have committed and effective staff in place, continually working to improve our systems, processes, and procedures. We have top quality office accommodation and have been successful in attracting high calibre voluntary board members.

When we are at our best we are up there with other top performing organisations. Our customers are looking for something straightforward: a responsive, reliable, and timely service offering value for money. While the majority get that service, we must strive to identify any weaknesses that adversely impact upon our performance. Using our strong work ethic, we will continue to direct our energies to improving our weaker areas and tackling issues before they become problems. Implementation of the 'Tenant and Resident Engagement Strategy 2023~2026' will help us ensure a strong customer focus and better service delivery which underpin our overall direction of travel.

Strategic priorities

Our analysis of the issues has determined that our objectives and tasks fall under five strategic priorities. By firmly committing to priority 1.0 – Sustainable communities; we will maximise our hopes of achieving all our objectives across priorities 2.0 to 5.0.

1.0 Sustainable communities
2.0 High quality, energy efficient homes
3.0 Quality Supported Living
4.0 An effective and efficient organisation
5.0 Skilled people and teams

The board has refreshed our medium-term corporate strategy for 2023-2026, in response to the current and expected operating environment and building on what we have achieved to date. This sets out a number of initiatives and activities to be undertaken or commenced in the current 3 years.

What we achieved 2020-23

- Delivered over 700 brand new homes for new tenants.
- Engaged with over 11,000 people through events and activities.
- Completed 450 disabled adaptations for tenants.
- Completed 80,000 repairs and spent over £10m on planned and cyclical upgrades.
- Accessed £0.85m of additional benefits for tenants through our welfare advice service.
- Awarded the highest DfC regulatory rating.
- Retained our investment grade credit rating.
- Secured £100m in bond finance.
- Received a CIH award for greener environment and stronger community initiative.

What we plan to do 2023-26

Priority 1 – Sustainable communities

- Deliver reliable, high quality, effective and efficient services to tenants and service users.
- Promote tenancy sustainment and respond appropriately to the changing needs of tenants.
- Work in partnership with others to provide wider community support.
- Promote tenant engagement and community investment.

Priority 2 – High quality, energy efficient homes

- Deliver an ambitious growth programme.
- Consider new housing models.
- Provide well maintained homes.
- Deliver energy efficient homes.

Strategic report of the Board for the year ended 31 March 2023 (continued)

Priority 3 – Quality supported living

- Deliver high-quality, cost-effective support and care services.
- Review service delivery, ensuring it remains strategically relevant and meets service user needs.

Priority 4 – An efficient and effective organisation

- Ensure effective governance and compliance.
- Grow the balance sheet, while meeting key financial targets.
- Work to meet government's social and affordable housing agenda.
- Deliver cost effective services.
- Ensure sustainability.
- Implement effective and efficient ICT solutions.
- Communicate effectively to drive service improvement.

Priority 5 – Skilled people and teams

- Improve workforce stability.
- Implement an effective and efficient organisational structure.
- Equip staff with the appropriate skills and knowledge to deliver high quality services.

Community Investment

Apex works across a range of vibrant and diverse communities throughout Northern Ireland and increasingly sees the need to target this work beyond our core business activities. This is necessitated by the considerable pressures society in general continues to face in a challenging economic climate. As a social landlord, we see every day the impact of a range of factors on our communities.

Apex therefore seeks to deliver a range of programmes and services that instigate positive change and make a fundamental difference to people's lives, thereby making our communities better places to live.

Through investing in people, property, and the environment, we aim to make a positive difference.
To help achieve our aim, we work with several community partners to enable tenants and residents to access a range of initiatives including self-development programmes, advice on health and well-being, budgeting and employment opportunities.

By enhancing our engagement in community investment activities, we have established Apex as one of the leading socially responsible organisations in Northern Ireland. We want to continue with this important work to ensure that we continue to build thriving communities where people want to live and work.

Key Areas

The "Community Investment Strategy 2023-2026" has been developed with the aim of supporting our communities beyond our core landlord purpose and provides a focus to ensure we are working towards our common goals which in turn have been shaped by feedback from stakeholders including tenants, community groups and employees. They target the following five pillars of activity:

- Community Empowerment & Engagement
- Health & Well-Being
- Financial Well-Being
- Work & Learning
- Volunteering

We will continue to use our influence and knowledge, work in partnership and source additional funding to deliver a range of collaborative services. These services will aim to instigate positive change and make a fundamental difference to people's lives; also contributing to wider community benefits.

Strategic report of the Board for the year ended 31 March 2023 (continued)

What we achieved 2020-23

- Supported more than 100 allotment users with an on-site horticulturalist.
- Helped more than 1,200 tenants through our Welfare Advice Service.
- Delivered more than 200 community events through the Housing for All initiative.
- Provided more than 70 meals per week through our Luncheon Club service.
- Delivered almost 65,000kg of food to local communities.
- Supported almost 200 households though our Community Supermarket.
- Raised more than £60k to support community projects in Tanzania.

What guides us 2023-2026

The 'Community Investment Strategy 2023-2026' has a range of programmes aimed at the individual, the wider community and the environment. Within the strategy we have considered the following themes:

Themes

Theme 1 – Enable people to fulfil their aspirations

- Support people to make informed decisions about their lives and increase their independence.
- Support people to recognise their potential by increasing their motivation, confidence, skills, and knowledge.

Theme 2 – Enable successful communities

- Provide opportunities for people to participate in making decisions about their communities.
- Support people to fulfil their vision and aspirations for their community and between communities.
- Promote and encourage diversity and good relations in all housing developments and particularly within areas where there is 'shared housing'.
- Develop biodiversity and sustainability initiatives within our communities.

Theme 3 – Promote positive partnerships within communities

- Support charities, social enterprises, and SMEs within our communities.
- Support the development of economic activity within the areas that we work.
- Maximise the social value impact for our communities within Apex development contracts.

Sustainability

Housing associations play an integral role in the provision of affordable and safe homes, as well as responding to wider issues of social inequality and climate change. Therefore, Apex have developed our 'Sustainability Strategy 2023-2026'. The strategy sets out our plans for the next three-year period; focusing on key actions to make a real, measurable impact within our association and communities, as well as contributing to the achievement of government sustainability targets.

Our vision for this sustainability strategy has been developed to help us integrate sustainability into all aspects of our work; from the homes we build, to the way we run our association and how we support our communities.

Strategy

In order to achieve our vision, we have developed six drivers of our strategy, with the overarching aim of contributing to the UN Sustainable Development Goals (UN SDGs).

1. Supporting residents and communities
2. Climate action
3. Environmental protection
4. Affordability
5. Supporting our people
6. Strong governance

Strategic report of the Board for the year ended 31 March 2023 (continued)

In turn, these six drivers will inform three key areas for target and action.

Target 1 – Sustainable homes

- Reduced fuel poverty
- Reduced carbon emissions
- Good quality, affordable homes
- Improved biodiversity
- Reduced resource use

Target 2 – Sustainable association

- Reduced carbon emissions from association
- Reduced resource use
- Supported and motivated staff
- Increased transparency and accountability

Target 3 – Sustainable communities

- Community pride and ownership
- Increased community support
- Improved health and wellbeing
- Net biodiversity gain in local areas
- Reduced carbon emissions across communities

Throughout 2023-2026 we will continuously monitor and periodically evaluate the success of the Sustainability Strategy.

Operating Performance

Apex measures performance through a range of key indicators which are reviewed quarterly.

Indicator	22/23 result	21/22 result
Average no. of staff employed during the year	645	680
Working time lost	7.57%	6.90%
Staff turnover	20.54%	14.02%
Units started	553	307
% of total NI starts	28.27%	18.0%
Voids % of total stock	0.93%	1.42%
Total arrears %	7.39%	6.66%
Repairs completed within response time	88.98%	87.36%
Operating margin (Group)	14.4%	15.0%
Retained surplus/(deficit) for the year (after pension changes) (Group)	£11.6m	£1.3m

Our People

Our staff are one of our most valuable assets. Apex provides a comprehensive employment package including access to pension schemes, on-going training and development, and access to a range of employee well-being initiatives.

Board of Management

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 Chief Executive and Senior Management Teams of each group company.

Gender analysis

7 members of the Board are male and 5 are female. The Senior Management Team is comprised of 3 males and 4 females. The association has 618 employees of which 21% are male and 79% are female.

Strategic report of the Board for the year ended 31 March 2023 (continued)

Events after the balance sheet date

There are no significant events that have occurred after the balance sheet date that would affect the financial statements.

Value for Money (VFM)

Apex is fully committed to achieving value for money (VFM). We recognise that we need to continue to push our performance and capacity up to higher levels if we are to meet the goals and targets set by our board. During 2023/24 we will continue to publish a VFM statement and continually monitor and report performance against that statement.

Return on social investment

Apex continues to deliver its community investment programme as set out in the note above. During the course of 2023/24, Apex will work towards the delivery of this programme and measure its outcomes for reporting to the board and stakeholders during the year.

Status

Apex Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP125) and is a Registered Housing Association with the Department for Communities (NI) – No. R23. The Association is a registered charity (Registration no. NIC106107).

Newington Housing Association (1975) Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (IP000158) and is a Registered Housing Association with the Department for Communities (NI) – No. R13. The Association is a registered charity (Registration No. NIC102477).

Risk Management

Internal and external risk evaluation remains integral to the formulation of our business strategy. Our Board and Senior Management Team has maintained its ongoing programme of risk review throughout the year, and our most significant risks currently facing the organisation are shown below. These, along with the other main business risks captured on the strategic and key risk register, are reviewed by the Board on at least a quarterly basis.

- Failure to secure adequate revenue funding for the proper management of Supported Living accommodation resulting in increasing revenue deficits.
- Difficulties recruiting qualified nurses which could result in nursing schemes operating below required staffing levels.
- Financial impact of the NILGOSC defined benefit pension scheme affecting annual accounts.
- Levels of voids in supported living accommodation leading to increasing deficits.
- Risk of cyber-attack resulting in theft or loss of data and access to IT systems.
- Failure to recruit and retain skilled and experienced staff.
- Failure of subsidiary and associated companies to meet their performance targets leading to increasing intercompany financial support.
- Financial impact of potential future delivery of affordable homes and mixed tenure developments.
- Failure to ensure effective adult safeguarding leading to breach of regulatory requirements and poor levels of care.
- Failure to manage the risk of fraud resulting in considerable financial losses and serious reputational damage.
- Failure to maintain sufficient liquidity/cash flow leading to loan default.
- Failure to implement good governance resulting in breach of regulatory requirements, reputational damage and impacting on future viability.
- Failure to comply with General Data Protection Regulations.
- Failure to have a robust and transparent procurement process in place resulting in challenges from unsuccessful contractors and wider public criticism.

Strategic report of the Board for the year ended 31 March 2023 (continued)

Performance in the year ended 31 March 2023

During the year the number of homes in management in Apex Housing Association increased by 113 units (1.71%) to 6,725. There were 176 completions, 50 house sales to tenants, and 13 shared ownership buy-outs. There were 1,107 under development at 31 March 2023. Homes under management within the Apex Housing Group increased by 113 units (1.68%) to 7,444 (net of sales and shared ownership completions).

£53.1m was spent on developing and improving housing properties during the year, partly funded by £31m of Housing Association Grant.

Association turnover increased to £57.1m (1.65%) from £56.2m in 2022. Turnover from shared ownership sales was £1.2m in 2022, whereas this was lower in 2023 at £0.6m. Operating costs increased from £48.7m in 2022 to £53.1m in 2023. Net financing costs increased by £0.2m to £7.3m. Surplus for the year was £9.5m (including actuarial gain of £12.4m on the NILGSOC defined benefit scheme) compared with a surplus of £0.1m in 2022 (including actuarial gain of £3.4m).

There was a large gain on the accounting treatment of the NILGOSC defined benefit scheme during the year (£12.4m), excluding this, the association incurred a loss of £2.87m. This was attributable to the high level of voids in supported living schemes, lower than inflation uplifts in care and support funding, and the impact of inflation on costs. The Association increased rents by 9% for general needs properties for incoming year, 23/24 year to mitigate against the impact of inflation. There was also an increase of £2.3m in supported living rents for 23/24 arising from a review of costs and charges. The association closed a loss-making supported living unit in July 22 and leased a loss-making nursing home to another operator in February 23. The combined operating losses for these 2 units in 2023 amounted to £1.23m. Work is continuing to secure further increases in income for supported living schemes via discussions with the local health trusts and NIHE Supporting People team.

Group turnover increased to £61.9m (0.3%) from £61.8m in 2022. This was due to shared ownership sales of £1.2m in 2022 compared to £0.6m in 2023 and a nil turnover from Fairbuild in 2023 compared to £800k in 2022. Group operating costs increased from £53.0m in 2022 to £56.8m in 2023. Group operating surplus for 2022 of £9.3m decreased to a group surplus of £8.90m in 2023 as a result of the impact on the parent set out above. Total comprehensive income for the year was £11.6m compared to £1.3m for 2022, however this was due to an increase the accounting value of the defined benefit pension scheme accounting for a recognised gain of £13.9m (2023) compared to £3.8m for 2022.

Expected performance in the year ended 31 March 2024

It is planned that 250 additional units will be completed during the year increasing stock owned or managed by the group to over 7,500.

By Order of the Board

Ms S McCallion
Honorary Secretary
20 September 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 Apex Housing Association Limited (the "Association") and its subsidiaries (the "Group"). This report includes required disclosures of the Trustees Report for charity law purposes.

Board of Management

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 Chief Executive and the Senior 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, which are in the strategic report, are included in this report by cross reference.

Average staff numbers decreased from 680 in 2022 to 645 in 2023. There are limited plans for additional outreach schemes due to funding constraints and therefore staff numbers are not anticipated to increase significantly in the coming financial year. Staff turnover was 20.54% (2022: 14.02%) and the average absence percentage was 7.57%, up from 6.90%, in the previous financial year.

Principal risks and uncertainties

Performance in the voluntary housing sector is affected greatly by central government decisions on matters of social and care provision in the community, housing policy, planning issues, land and construction costs, shortage of qualified nursing staff, demographic trends, energy prices, pension costs and budgetary constraints in the Northern Ireland budget. The board and senior management carry out quarterly reviews of risks and identify control measures to manage them. Some of the top key risks identified by the Association during 2023 were; funding levels in supported living schemes; voids in nursing care accommodation; difficulties in recruiting nursing and other staff; financial impact of the NILGOSC defined benefit pension scheme on the accounts; the legacy impact of Covid-19 including void levels in supported accommodation; cyber security; failure of subsidiaries to meet performance targets; financial impact of sale of affordable homes and mixed tenure developments; building and other materials cost increases; failure to ensure effective adult safeguarding; fraud; failure to ensure good governance and compliance; failure to comply with General Data Protection Regulations; and potential challenges from unsuccessful contractors if proper procurement processes are not robust.

Key performance indicators

Development

New sites starts achieved: 553 (28.27% of DfC programme)

Housing Management

	2023	2022
Allocations	**798**	897
Rent Collection	**99.66%**	100.03%
Total Arrears	**7.39%**	6.66%
Non-technical Arrears as % of NT turnover	**14.35%**	5.15%
Voids as % of rent receivable	**1.0%**	1.1%
Voids as % of housing stock	**0.93%**	1.42%
Response maintenance within time	**88.98%**	87.36%

Report of the Board for the year ended 31 March 2023 (continued)

Environment

The Association 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.

Health and safety

The Association has a dedicated health and safety officer who is dedicated to achieving the highest practical standards in health and safety management, and strives to make all sites and offices safe environments for employees and tenants alike.

Human resources

The Association's most important resource is its people; their knowledge and experience are crucial in meeting tenants' requirements. Retention of key staff is critical and the association has various strategies and plans in place to develop capacity in our teams.

Financial risk management

The Association's operations expose it to a variety of financial risks that include the effects of changes in interest rate risk, liquidity risk and currency risk. Responsibility for the management of risk is delegated to the Finance Committee.

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

Currency risk

The Association does not engage in foreign currency transactions and so is not exposed to foreign exchange risk.

Donations

The Association made charitable donations amounting to £5,790 during the financial year (2022: £Nil). No donations for political purposes were made during the financial year (2022: £Nil).

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the company.

Report of the Board for the year ended 31 March 2023 (continued)

Going concern

The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The Board considered the new financial plan for 2023/24 and beyond at their meeting held on 31st May 2023. This plan included various assumptions and stress-testing around a range of scenarios and considered any mitigations that may need to be put in place depending on the outputs of each scenario. For this reason, they continue to adopt the going concern basis in preparing the financial statements and are confident that the Group will be a going concern for at least 12 months from the date of this report.

Status

The Association is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (Registered number IP125) and is a Registered Housing Association (R23). The Association is a recognised charity for Inland Revenue purposes (Charity number: XN48080). The Association is also registered with NI Charities Commission (Charity number: NIC106107).

Board of Management

The members of the Board of the Association are listed on page 1.

Each member of the Board holds one fully paid share of £1 in the Association.

In accordance with the Rules of the Association, Ms C Cooke, Mr L Hannaway, Mr S McKenna, Ms M Nicholson, and Mr C McQuillan are due to retire by rotation and being eligible, offer themselves for re-election. Mr M Doherty has also indicated his intention to retire and is not opting to stand for re-election.

Statement of the responsibilities of the Board

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

The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of the Group and Association's affairs and of its surplus or deficit for that period. In preparing those financial statements the Board is required to:

- select suitable accounting policies and then 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 in business.

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 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. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and detect fraud and other irregularities. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of 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 Group and Association'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 Group and Association's auditors are aware of that information.

Report of the Board for the year ended 31 March 2023 (continued)

Statement on internal control

The Board acknowledges its ultimate responsibility for ensuring that Apex Housing Association Limited has in place a robust system of internal controls which is appropriate for the various business environments in which it operates and supports the achievement of the Group and Association's policies, aims and objectives whilst safeguarding its funds and assets.

Apex Housing Association Limited was established in October 1965 and has in place a range of internal controls which are and will continue to be reviewed on an annual basis.

The system of internal control is designed to manage risk to an acceptable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to achieving the Associations' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place throughout the financial year ended 31 March 2023 and up to the date of approval of the annual report and financial statements and this accords with recommended Treasury guidance.

The setting of risk appetite by the Board, and identification and assessment of the impact of risk, is incorporated into the corporate planning and decision-making processes of the Association. Consequently, the Association ensures that there are procedures in place for verifying that internal controls and aspects of risk management are regularly reviewed and reported on.

During 2022/2023 a number of measures were implemented to enhance the systems of internal control in place. These included:

1. Implementation of the Risk Management Framework;
2. Regular reporting to the Audit and Risk Committee, other Committees and the Board;
3. Annual review of the Risk Management Framework and setting of the risk appetite for 2023-24;
4. Implementation of the Decision Time Goals IT module to improve the systems for managing and reporting on key performance going forward;
5. Delivery of training on risk management to staff, Audit and Risk Committee and Board members;
6. Further development of the risk and governance arrangements through embedding of the Governance and Risk Manager role and the introduction of further administrative support.

In addition to the actions outlined above, in the coming financial year the Association plans to:

1. Continue to operate the Risk Management Framework;
2. Ensure that the Association's Audit and Risk Assurance Committee continues to review the risk framework at its meetings;
3. Embed the new systems for managing and reporting on key performance through the Decision Time IT software;
4. Continue to deliver appropriate training for staff, Audit and Risk Committee members and Board members; and
5. Strengthen the systems for ensuring compliance with external reporting requirements through development of an overarching policy for 'notifiable events' reporting.

As an integral part of its corporate planning process, the Board sets the risk appetite and the inherent risks for each corporate objective are identified and assessed for impact and likelihood using a risk matrix. The Association updates its risk registers, identifying the controls necessary to mitigate against each risk, assessing the residual risk, identifying further actions to be taken and assigning risk ownership to relevant staff.

These risks are reported to and managed by the relevant Committee of the Board and by the Audit and Risk Assurance Committee, who review and report to the Board on risk management issues. Risk is reviewed on a quarterly basis and the Board is informed of any emerging issues. The Committee receives regular reports on the implementation of internal and external audit reports and meets with the auditors on a regular basis. The Committee will commission further reports on specific issues where they feel this is necessary.

The Board has responsibility for reviewing the effectiveness of the system of internal control. Its review of the effectiveness of the system of internal control is informed by the work of the internal auditors and those within the company who have responsibility for the development and maintenance of the Association's internal control framework and comments made by the external auditors in their reporting.

Report of the Board for the year ended 31 March 2023 (continued)

A plan to address weaknesses and ensure continuous improvement of the system is ongoing. The Board has been informed by internal and external audit on the adequacy and effectiveness of internal controls operating within the Association. In the internal auditors report they have stated that in their opinion the Association's internal control systems were adequate and operated effectively thereby providing satisfactory assurance regarding the effective and efficient achievement of the Association's objectives; however a number of recommendations were made and an implementation plan is in place to address these.

Progress on issues raised by internal and external audit continues to be formally monitored through the Audit and Risk Assurance Committee.

Taking all of these matters into account the Board is suitably content that the internal control framework in operation within the Association provides reasonable assurance that objectives will continue to be met.

Independent auditors

The auditors, ASM, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board

Ms S McCallion
Honorary Secretary
20 September 2023

Independent auditors' report to Apex Housing Association Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Apex Housing Association Limited ("the Association") and its consolidated undertakings ("the Group") for the year ended 31 March 2023 which comprise: the Consolidated and Association Statements of Comprehensive Income, the Consolidated and Association Statements of Changes in Reserves, the Consolidated and Association Statements of Financial Position and the Consolidated Cash Flow Statement and the related notes, which include a description of the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Housing SORP – Statement of Recommended Practice for Social Housing Providers.

In our opinion, the Consolidated and Association financial statements:

- give a true and fair view of the state of the affairs of the Group and of the Association as at 31 March 2023 and of the income and expenditure of the Group and of the Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969), the Housing (Northern Ireland) Order 1992, the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993, the Charities Act (Northern Ireland) 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.

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' responsibility for the audit of the financial statements section of our report.

We are independent of the Group and the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. The Board is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of our knowledge and understanding of the Group and the Association obtained in the course of the audit, we have not identified material misstatements in the Report of the Board and the Strategic Report.

We have nothing to report in respect of the following matters where the Charities (Northern Ireland) Act 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 require us to report to you if, in our opinion:

- the information given in the Report of the Board and the Strategic Report is inconsistent in any material respect;
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required to complete our audit.

We have nothing to report in this regard.

Under the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969) 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's financial statements are not in agreement with the accounting records.

We have nothing to report in this regard.

Responsibilities of the Board

As explained more fully in the Board's Statement of Responsibilities on page 15, the Board of Management 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 of Management 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.

In preparing the financial statements, the Board is responsible for assessing the Group's and 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 they either intend to liquidate the Group and the Association or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibility 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.

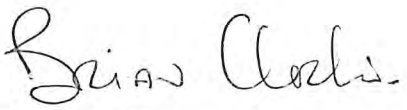
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting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

We considered the opportunities and incentives that may exist within the Group and the Association for fraud and identified the greatest potential for fraud in the following areas: management override of controls relating to posting of journals. To address this risk we discussed the risks with client management and designed audit procedures to test 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. This description forms part of our auditors' report.

Use of our report

This report is made solely to the Board in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969) and article 19 of The Housing (Northern Ireland) Order 1992. Our audit work has been undertaken so that we might state to the Board those matters 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 Association and the Board, for our audit work, for this report, or for the opinions we have formed.



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

20 September 2023

Consolidated statement of comprehensive income for the year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	5	**61,938,818**	61,092,210
Operating costs	6	**(56,783,934)**	(52,956,696)
Gain/(loss) on disposal of housing properties		**3,744,800**	1,855,289
Operating surplus	7	**8,899,684**	9,990,803
Surplus/(deficit) arising from disposals of fixed assets		**585,126**	96,723
Interest receivable and similar income	9	**121,408**	23,506
Interest payable and similar expenses	10	**(7,844,758)**	(7,685,362)
Transfer to disposal proceeds fund	20	**(4,030,880)**	(2,803,666)
Other finance costs	11	**(54,000)**	(2,127,811)
Surplus/(Deficit) for the financial year		**(2,323,420)**	(2,505,808)
Transfer to designated reserves		**(5,790)**	-
Actuarial (loss)/gain in respect of pension schemes	24	**13,918,506**	3,799,000
Total comprehensive income for the year		**11,589,295**	1,293,192

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/(Deficit) for the financial year		**(2,323,420)**	(2,505,808)
Movement in designated reserve		**(5,790)**	-
Movement in called up share capital		**-**	-
Actuarial (loss)/gain in respect of pension schemes	24	**13,918,506**	3,799,000
Net addition to capital and reserves		**11,589,295**	1,293,192
Opening total capital and reserves		**34,536,890**	33,243,698
Closing total capital and reserves		**46,126,185**	34,536,890

The notes on pages 23 to 53 form an integral part of these financial statements.

Association statement of comprehensive income for the year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	5	**57,135,381**	55,526,097
Operating costs		**(53,086,201)**	(48,673,563)
Gain/(loss) on disposal of housing properties		**3,744,800**	1,855,289
Operating surplus		**7,793,980**	8,707,823
Surplus arising from disposals of fixed assets		**187,513**	(237,887)
Interest receivable and similar income		**118,962**	19,430
Interest payable and similar charges		**(7,317,893)**	(7,159,199)
Transfer to disposal proceeds fund	20	**(3,633,267)**	(2,469,057)
Other finance costs		**(23,000)**	(2,187,811)
Surplus/(deficit) for the financial year		**(2,873,705)**	(3,326,701)
Transfer to designated reserves		**(5,790)**	-
Actuarial (loss)/gain in respect of pension schemes	24	**12,407,506**	3,436,000
Total comprehensive income for the year		**9,528,011**	109,299

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 for the financial year		**(2,873,705)**	(3,326,701)
Actuarial (loss)/gain in respect of pension schemes	24	**12,407,506**	3,436,000
Net addition to capital and reserves		**9,533,801**	109,299
Movement in designated reserve		**(5,790)**	-
Opening total capital and reserves		**20,600,877**	20,491,578
Closing total capital and reserves		**30,128,888**	20,600,877

The notes on pages 23 to 53 form an integral part of these financial statements.

Consolidated statement of financial position as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Housing properties - depreciated cost	12	**797,321,780**	757,758,139
Other tangible fixed assets	13	**10,402,953**	10,740,931
		807,724,733	768,499,070
Current assets			
Stock	15	**302,814**	335,857
Debtors	16	**63,107,650**	30,383,935
Investments	17	**24,496,285**	3,872,839
Cash at bank and in hand		**1,594,370**	2,285,697
		89,501,119	36,878,328
Creditors: amounts falling due within one year	18	**(110,650,118)**	(48,841,183)
Net current assets/(liabilities)		**(21,148,999)**	(11,962,855)
Total assets less current liabilities		**786,575,734**	756,536,215
Creditors: amounts falling due after more than one year	19	**(751,065,549)**	(718,862,819)
Pension surplus/(deficit)	24	**10,616,000**	(3,136,506)
Net assets		**46,126,185**	34,536,890
Capital and reserves			
Called up share capital	25	**28**	28
Capital reserve		**103**	103
Supporting People reserves	27	**-**	-
Common fund	28	**20,000**	20,000
Revenue reserve		**46,106,047**	34,516,759
Total funds		**46,126,185**	34,536,890

The notes on pages 23 to 53 form an integral part of these financial statements.

The financial statements on pages 18 to 53 were approved by the Board of Management on 20th September 2023 and were signed on its behalf by:

J Meehan
Treasurer

P Caldwell
Chairperson

S McCallion
Secretary

Registered number: IP 125

Association statement of financial position as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Housing properties - depreciated cost	12	**731,479,783**	691,016,012
Other tangible fixed assets	13	**8,344,133**	8,613,006
Investments	14	**2**	21
		739,823,919	699,629,039
Current assets			
Stock	15	**302,814**	335,857
Debtors	16	**62,524,826**	30,330,389
Investments	17	**24,496,284**	3,872,839
Cash at bank and in hand		**249,985**	1,094,900
		87,573,909	35,633,985
Creditors: amounts falling due within one year	18	**(108,766,079)**	(47,081,996)
Net current assets/(liabilities)		**(21,192,170)**	(11,448,011)
Total assets less current liabilities		**718,631,747**	688,181,028
Creditors: amounts falling due after more than one year	19	**(699,046,859)**	(665,660,645)
Pension surplus/(deficit)	24	**10,544,000**	(1,919,506)
Net assets		**30,128,888**	20,600,877
Capital and reserves			
Called up share capital	25	**28**	28
Capital reserve	26	**7**	7
Supporting People reserves	27	**-**	-
Common fund	28	**20,000**	20,000
Revenue reserve		**30,108,853**	20,580,842
Total funds		**30,128,888**	20,600,877

The notes on pages 23 to 53 form an integral part of these financial statements.

The financial statements on pages 18 to 53 were approved by the Board of Management on 20th September 2023 and were signed on its behalf by:

J Meehan
Treasurer

P Caldwell
Chairperson

S McCallion
Secretary

Registered number: IP 125

Consolidated statement of cash flows for the year ended 31 March 2023

	Note	2023 £	2022 £
Net cash from operating activities	31	**17,174,051**	18,326,882
Cash flow from investing activities			
Payments to purchase and develop housing properties		**(53,551,430)**	(42,692,711)
Receipts of Housing Association Grant		**18,908,984**	3,694,694
Receipts of other grants		**717,800**	601,560
Purchases of other tangible fixed assets		**(28,726)**	(1,408,447)
Receipts from disposal of housing properties		**5,178,550**	231,219
Interest received		**121,408**	23,505
Net cash generated from/(used in) investing activities		**(28,653,414)**	(39,550,180)
Cash flows from financing activities			
Repayment of bank loans		**(8,659,875)**	(87,926,855)
Loan advances		**47,939,115**	78,450,000
Interest paid		**(7,867,758)**	(9,727,099)
Net cash generated from financing activities		**31,411,482**	(19,203,954)
Net increase in cash and cash equivalents		**19,932,119**	(40,427,250)
Cash and cash equivalents at the beginning of the year		**6,158,536**	46,585,786
Cash and cash equivalents at the end of the year	31	**26,090,655**	6,158,536

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 10 Butcher Street, Londonderry, BT48 6HL.

2 Statement of compliance

These financial statements of Apex 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, the Charities Act (Northern Ireland) 2008 and the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.

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 significant accounting policies adopted by the group and association are as follows:

Basis of preparation of financial statements

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and 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 and group statement of financial position included within the financial statements of the group and its subsidiary undertakings are 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.

Going concern

The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The Board considered the new financial plan for 2023/24 and beyond at their meeting held on 31st May 2023. This plan included various assumptions and stress-testing around a range of scenarios and considered any mitigations that may need to be put in place depending on the outputs of each scenario. For this reason, they continue to adopt the going concern basis in preparing the financial statements and are confident that the Group will be a going concern for at least 12 months from the date of this report.

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the group and association and value added taxes.

The group and association base 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 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 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 service is received.

ii) Multi-employer pension plan

The Association operates a defined benefit scheme through the Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC). The assets of NILGOSC are held separately from those of the Association. The Association 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 benefit pension scheme arising from employee service in the year is charged to operating surplus. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance costs. Actuarial gains and losses are recognised in the statement of total recognised surpluses and deficits.

iii) 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 group 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.

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

All new employees joining Apex Housing Association Limited are not eligible to join the NILGOSC scheme except in the case where they are already active members at the time of becoming an Apex employee. All other new employees join the Social Housing Pension Scheme Defined Contribution (SHPS DC).

SHPS DC is a defined contribution workplace pension scheme administered by The Pensions Trust and is the pension vehicle provided by the Association under auto-enrolment legislation. Each employee holds a separate pension plan with The Pensions Trust to which the Association contributes 6% of pensionable pay with the employee contributing a minimum of 4%. The employee is responsible for any investment decisions from the various investment options provided by The Pensions Trust. The Association's liability is limited to the above employer contribution.

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 - acquired by the Association

Other housing properties are stated as cost which is purchase price together with any incidental costs of acquisition. These properties are effectively purchased concurrently by the Association and participants and so are disclosed in fixed assets at the cost to the Association with the participants' net investment also disclosed in the housing properties note to the accounts.

The initial cost of the houses is not split between current and fixed assets since the Association and the participant effectively purchase their respective shares simultaneously. The circumstances of this type of transaction means that no gain nor loss will ever be made by the Association on first tranche sales and so the proceeds and costs are not shown in turnover or cost of sales. This allows the Association to present a true and fair view of the commercial reality behind such a co-ownership scenario.

Other housing properties - developed by the Association

For housing developed by the Association to provide a supply of affordable homes sales proceeds are accounted for in the statement of comprehensive income with proceeds recorded in turnover and costs in cost of sales in accordance with SORP. Unsold properties at the year-end are included in stock and are valued at the lower of cost (cost of land together with associated costs of development) and net realisable value. For housing developed for outright sale the proceeds less the costs of developing the property are accounted for in the statement of comprehensive income and disclosed within the surplus or deficit arising from disposals of housing property.

Other fixed assets

Other fixed assets are stated at cost.

Housing Association Grant and other grants

Housing Association Grant and other grants received as a contribution towards the capital costs of housing properties of the Association are recognised in income over the useful life of the housing property structure and its individual components. 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.

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

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	100 years
Roof structure and coverings	40 - 80 years
Windows and external doors	30 years
Heating system boilers	15 years
Kitchens	20 years
Bathrooms	30 years
Mechanical systems (heating, ventilation, plumbing)	40 years
Electrics	40 years
Lift	30 years

Housing assets are depreciated in the year of acquisition, or in the case of a larger project, from the year 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 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%
Motor vehicles	- 25%
Plant and machinery	- 25%
Office furniture and equipment	- 25%
Computer equipment	- 25%

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.

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

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.

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 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.

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.

Provisions and contingent liabilities

i) Provisions

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

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

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

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 group'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 2023 (continued)

3 Summary of significant accounting policies (continued)

Financial instruments

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

i) Financial assets

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

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.

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, 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 used by the Association to purchase or develop additional properties for letting rather than claiming housing association grant on same. On acquisition of a property an amount equal to the acquisition cost (Total Cost Indicator from 1 June 2008) is removed from the fund and reclassified as recycled housing association grant. With effect from 1 October 2006 notional interest on the balance is included in the fund.

Notes to the financial statements for the year ended 31 March 2023 (continued)

4 Critical accounting judgements and estimation uncertainty

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.

Revenue reserves

The group and association's policy is to retain a level of revenue reserves, which matches its needs at the current time and in the foreseeable future. The reserves required are sufficient to meeting committed running costs for a period equivalent to three months budgeted future expenditure. Annually the Board of Management review the adequacy of this period amending it, where necessary, to reflect changing needs.

Estimates and judgements 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 judgements in applying the entity's accounting policies

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

(b) Key accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the group financial statements. Key estimates and assumptions that have been made in the preparation of these financial statements as follows:

(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 12 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 Turnover

Turnover relates to the Group and Association's main activity which is carried out in the United Kingdom. Turnover represents rental and service charge income and residential charges for special needs schemes, net of voids. It also includes income arising from other rental subsidies, services provided to other Housing Associations, supporting people legacy funding received for the provision of learning disability care, income from other sundry ancillary services and the amortisation of Housing Association Grant.

Notes to the financial statements for the year ended 31 March 2023 (continued)

6 Operating costs

Group	2023 £	2022 £
Direct property management costs	**45,592,107**	41,966,874
Administrative expenses	**11,191,827**	10,989,822
	56,783,934	52,956,696

7 Operating surplus

Group	2023 £	2022 £
Operating surplus is stated after charging/(crediting):		
Staff costs (note 8)	**22,055,965**	**20,850,702**
Depreciation of tangible fixed assets - owned assets	**11,400,990**	**8,767,592**
Release of capital grant	**(6,955,670)**	**(6,310,373)**
Operating lease charges	**39,622**	**45,438**
Fees payable to the group's auditors for the audit of the financial statements	**49,200**	**49,200**
Fees payable to the group's auditors for tax services	**1,500**	-

8 Employee information

	Group		Association	
	2023	2022	2023	2022
Average staff numbers	Number	Number	Number	Number
Administration	**177**	184	**155**	163
Sheltered schemes	**15**	16	**15**	16
Supported living schemes	**458**	483	**458**	483
Gardeners and bus drivers	**17**	18	**17**	18
	667	701	**645**	680

	2023 £	2022 £	2023 £	2022 £
Staff costs				
Wages and salaries	**17,375,807**	16,523,022	**16,605,807**	15,831,057
Social security costs	**1,662,780**	1,452,580	**1,580,272**	1,383,398
Other pension costs	**3,017,378**	2,875,100	**2,680,778**	2,741,063
	22,055,965	20,850,702	**20,866,857**	19,955,518

Directors' emoluments are disclosed in note 30. Staff costs in 2023 include redundancy payments of £82,122.

9 Interest receivable and similar income

Group	2023 £	2022 £
Bank interest receivable	**121,408**	23,506

Notes to the financial statements for the year ended 31 March 2023 (continued)

10 Interest payable and similar expenses

Group	2023 £	2022 £
Interest charge before capitalisation	9,077,947	8,975,622
Development interest capitalised	(1,233,189)	(1,290,260)
Interest charge after capitalisation	7,844,758	7,685,362

Development interest is capitalised at a weighted average cost of borrowing of 3.24% (2022: 3.04%).

11 Other finance costs

Group	2023 £	2022 £
Other finance losses	54,000	2,127,811

Other finance losses during 2022 include £2,109,811 in relation to breakage costs payable on repayment of long-term fixed rate debt that was refinanced during the year. Such costs did not occur in 2023.

12 Housing properties – depreciated cost

Group	2023 £	2022 £
Cost		
At 1 April	868,167,864	824,119,476
Additions	56,614,084	50,810,263
Disposals	(8,541,325)	(6,761,876)
At 31 March	916,240,623	868,167,863
Accumulated depreciation		
At 1 April	110,409,724	102,128,359
Charge for year	10,973,785	8,415,720
Disposals	(2,464,666)	(134,355)
At 31 March	118,918,843	110,409,724
Net book amount	797,321,780	757,758,139
Net book amount comprises:		
Completed schemes	673,500,746	677,272,867
Land held for development	14,186,744	21,284,771
Properties under construction	109,634,290	59,200,501
At 31 March	797,321,780	757,758,139
Net book amount comprises:		
Freehold properties	795,006,849	755,383,354
Long leasehold properties	2,314,931	2,374,785
At 31 March	797,321,780	757,758,139

Notes to the financial statements for the year ended 31 March 2023 (continued)

12 Housing properties – depreciated cost (continued)

Group	2023 £	2022 £
Housing Association and other grants		
At 1 April	**525,843,691**	496,933,182
Additions	**33,541,887**	32,618,471
Disposals	**(5,808,195)**	(3,707,962)
At 31 March	**553,577,383**	525,843,691
Accumulated amortisation		
At 1 April	**74,447,104**	69,511,964
Charge for year	**6,955,670**	6,310,373
Disposals	**(1,831,849)**	(1,375,233)
At 31 March	**79,570,925**	74,447,104
Net book amount		
At 31 March	**474,006,458**	451,396,587

Notes to the financial statements for the year ended 31 March 2023 (continued)

12 Housing properties – depreciated cost (continued)

Association	2023 £	2022 £
Cost		
At 1 April	**788,927,097**	745,770,193
Additions	**56,119,040**	49,450,462
Disposals	**(8,054,516)**	(6,293,558)
At 31 March	**836,991,621**	788,927,097
Accumulated depreciation		
At 1 April	**97,911,084**	90,561,847
Charge for year	**9,909,197**	8,924,680
Disposals	**(2,308,443)**	(1,575,443)
At 31 March	**105,511,838**	97,911,084
Net book amount	**731,479,783**	691,016,013
Net book amount comprises:		
Completed schemes	**607,658,749**	610,530,741
Land held for development	**14,186,744**	21,284,771
Properties under construction	**109,634,290**	59,200,501
At 31 March	**731,479,783**	691,016,013
Net book amount comprises:		
Freehold properties	**729,164,852**	688,641,228
Long leasehold properties	**2,314,931**	2,374,785
At 31 March	**731,479,783**	691,016,013

Notes to the financial statements for the year ended 31 March 2023 (continued)

12 Housing properties – depreciated cost (continued)

Association	2023 £	2022 £
Housing Association and other grants		
At 1 April	**481,373,034**	452,522,626
Additions	**32,638,443**	32,269,844
Disposals	**(4,634,569)**	(3,419,436)
At 31 March	**509,376,908**	481,373,034
Accumulated amortisation		
At 1 April	**64,942,441**	60,552,624
Charge for year	**6,292,991**	5,655,561
Disposals	**(1,692,459)**	(1,265,744)
At 31 March	**69,542,973**	64,942,441
Net book amount		
At 31 March	**439,833,935**	416,430,593

13 Other tangible fixed assets

Group	Other land and buildings £	Plant and machinery £	Motor vehicles £	Office furniture and equipment £	Computer equipment £	Total £
Cost						
At 1 April 2022	12,941,215	186,063	24,000	404,286	1,595,677	15,151,241
Additions	12,408	9,600	-	6,717	-	28,725
Disposals	(16,166)	(17,288)	-	-	-	(33,454)
At 31 March 2023	**12,937,457**	**178,375**	**24,000**	**411,003**	**1,595,677**	**15,146,512**
Accumulated depreciation						
At 1 April 2022	2,422,878	185,286	24,000	270,338	1,507,808	4,410,310
Charge for year	258,512	3,163	-	29,835	59,028	350,538
Disposals	-	(17,288)	-	-	-	(17,288)
At 31 March 2023	**2,681,390**	**171,161**	**24,000**	**300,173**	**1,566,836**	**4,743,560**
Net book amount						
At 31 March 2023	**10,256,067**	**7,214**	**-**	**110,830**	**28,841**	**10,402,952**
At 31 March 2022	10,518,337	777	-	133,948	87,869	10,740,931

Notes to the financial statements for the year ended 31 March 2023 (continued)

13 Other tangible fixed assets (continued)

Association	Other land and buildings £	Plant and machinery £	Motor vehicles £	Office furniture and equipment £	Computer equipment £	Total £
Cost						
At 1 April 2022	10,795,471	186,063	24,000	247,909	1,595,677	12,849,120
Additions	-	9,600	-	5,158	-	14,758
Disposals	-	(17,288)	-	-	-	(17,288)
At 31 March 2023	**10,795,471**	**178,375**	**24,000**	**253,067**	**1,595,677**	**12,846,590**
Accumulated depreciation						
At 1 April 2022	2,284,180	185,286	24,000	234,841	1,507,807	4,236,114
Charge for year	215,815	3,163	-	5,624	59,028	283,631
Disposals	-	(17,288)	-	-	-	(17,288)
At 31 March 2023	**2,499,995**	**171,161**	**24,000**	**240,465**	**1,566,835**	**4,502,457**
Net book amount						
At 31 March 2023	**8,295,476**	**7,213**	**-**	**12,602**	**28,842**	**8,344,133**
At 31 March 2022	8,511,292	777	-	13,068	87,870	8,613,006

14 Investments

Association	2023 Subsidiary undertaking £	2022 Subsidiary undertaking £
Cost	**21**	**21**

Details of the Association's subsidiaries are as follows:

Name	Country of incorporation	Principal activity	%	Share ownership class
Fairbuild Homes (NI) Ltd	Northern Ireland	Construction Company	100	Ordinary shares of £1 each - £2
Newington Housing Association (1975) Limited	Northern Ireland	Housing Association	100	Ordinary shares of £1 each - £25

The Board believe that the carrying value of the investment is supported by the underlying net assets.

Notes to the financial statements for the year ended 31 March 2023 (continued)

15 Stock

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Oil stocks	**19,974**	34,237	**19,974**	34,237
Consumables	**282,840**	301,620	**282,840**	301,620
	302,814	335,857	**302,814**	335,857

16 Debtors

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Rental Debtors Gross - Technical	**2,356,421**	2,427,489	**2,269,652**	2,349,641
Rental Debtors Gross - Non-technical	**1,414,174**	769,444	**1,278,191**	656,408
Provision for bad debts	**(172,348)**	(164,828)	**(82,520)**	(75,000)
Net rental (including rates, service charges) debtors	**3,598,247**	3,032,105	**3,465,323**	2,931,049
Amounts owed by subsidiary undertakings (note 37)	**-**	-	**45,170**	144,409
Amounts owed by related undertakings (note 37)	**4,570,820**	4,285,157	**4,570,820**	4,285,157
HAG Receivable	**49,622,066**	16,734,412	**49,622,066**	16,734,412
Other debtors	**2,459,941**	2,137,012	**2,038,167**	2,096,064
Prepayments and accrued income	**2,856,576**	4,195,249	**2,783,279**	4,139,298
	63,107,650	30,383,935	**62,524,826**	30,330,389

17 Current asset investments

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Short term deposits	**24,496,285**	3,872,839	**24,496,284**	3,872,839

Notes to the financial statements for the year ended 31 March 2023 (continued)

18 Creditors: amounts falling due within one year

	Group		Association	
	2023	2022	**2023**	2022
	£	£	**£**	£
Department for Communities loans (note 21)	**26,359**	34,818	**26,359**	34,818
Bank loans (note 22)	**35,385,602**	9,012,341	**34,622,490**	8,266,094
Other creditors	**1,750,660**	666,598	**1,679,512**	650,881
PAYE and other taxes	**561,883**	571,016	**561,883**	571,016
Rental and service charges received in advance	**740,046**	689,135	**740,046**	689,135
Trade creditors	**236,111**	250,553	**236,111**	148,142
Accruals and deferred income	**6,939,495**	2,668,405	**6,557,725**	2,428,407
Housing Association Grant in advance	**51,093,851**	26,621,557	**51,093,851**	26,621,557
TBUC grant	**2,555,228**	1,773,525	**2,555,228**	1,773,525
Disposal proceeds fund (note 20)	**4,429,355**	250,000	**4,429,355**	250,000
Deferred Housing Association Grant	**6,931,526**	6,303,235	**6,263,519**	5,648,422
	110,650,116	48,841,183	**108,766,079**	47,081,996

19 Creditors: amounts falling due after more than one year

	Group		Association	
	2023	2022	**2023**	2022
	£	£	**£**	£
Department for Communities loans (note 21)	**12,515**	43,959	**12,515**	43,959
Bank loans (note 22)	**167,741,758**	176,696,479	**150,069,446**	158,249,737
Other loans (note 22)	**110,000,000**	90,000,000	**110,000,000**	90,000,000
Disposal proceeds fund (note 20)	**4,567,167**	5,314,855	**3,725,308**	4,870,609
Other creditors	**1,063,361**	1,094,928	**1,063,358**	1,094,925
Deferred Housing Association Grant	**467,074,932**	445,093,353	**433,570,416**	410,782,170
Deferred income	**605,816**	619,245	**605,816**	619,245
	751,065,549	718,862,819	**699,046,859**	665,660,645

Notes to the financial statements for the year ended 31 March 2023 (continued)

20 Transfer to disposal proceeds fund

	Group		Association	
	2023	2022	**2023**	2022
	£	£	**£**	£
At 1 April	**5,564,854**	2,761,187	**5,120,609**	2,651,551
DPF Expenditure	**(599,214)**	-	**(599,214)**	-
Proceeds from house sales	**4,030,880**	2,803,667	**3,633,267**	2,469,058
At 31 March	**8,996,520**	5,564,854	**8,154,662**	5,120,609

The association is required to spend amounts allocated to the DPF within 24 months and plans are in place to ensure this requirement is met.

21 Department for Communities - housing property loans

	Group		Association	
	2023	2022	**2023**	2022
	£	£	**£**	£
Due in under one year (note 18)	**26,359**	34,818	**26,359**	34,818
Due within one to two years	**12,515**	27,805	**12,515**	27,805
Due within two to five years	**-**	16,154	**-**	16,154
	38,874	78,777	**38,874**	78,777

All loans bear interest at varying interest rates of between 8.75% and 12.375%. and have a maturity date of 01/04/2024.

22 Bank loans

	Group		Association	
	2023	2022	**2023**	2022
	£	£	**£**	£
Due in under one year	**35,385,602**	9,012,341	**34,622,490**	8,266,094
Due within one to two years	**11,991,582**	9,078,429	**8,524,092**	8,323,878
Due within two to five years	**28,690,349**	30,217,548	**24,136,523**	24,983,519
Due after five years	**127,059,827**	137,400,502	**117,408,831**	124,942,340
	203,127,360	185,708,820	**184,691,936**	166,515,831

All loans bear interest at varying interest rates of between 1.24% and 6.25%. A rolling capital facility is currently in place. Maturity datesfor all other loans range from September 2025 to December 2055.

Security

Bank debt from AIB, Barclay's Bank, Ulster Bank, Pension Insurance Corp and European Investment Bank are secured by way of mortgages upon the deeds of the related properties financed by the loans and bear interest at fixed and variable rates.

Group and association	**2023**	2022
Other loans (THFC and PIC)	**£**	£
Due after five years (note 19)	**110,000,000**	90,000,000

Notes to the financial statements for the year ended 31 March 2023 (continued)

22 Bank loans (continued)

Security

The THFC loan bears interest at a fixed rate of 6.35% on the capital sum borrowed (£10 million) payable at 6 monthly intervals for 30 years to 8 June 2039 after which it is repayable in full. The loan is secured by a fixed charge over various housing assets.

The THFC loan (2012) bears interest at a fixed rate of 5.20% on the capital sum borrowed (£20 million) payable at 6 monthly intervals for 30 years to 28 September 2042 after which it is repayable in full. The loan is secured by a fixed charge over various housing assets.

The PIC Senior Notes (£80 million) are secured by a fixed charge over various housing assets and this has an effective interest rate of 2.48%.

23 Financial instruments

The group has the following financial instruments:

Group	2023 £	2022 £
Financial assets that are debt instruments measured at amortised cost		
Rental debtor (note 16)	**2,356,421**	2,427,489
Other debtors (note 16)	**2,459,941**	2,137,012
Amounts owed from related undertakings	**4,570,820**	4,285,157
Financial liabilities measured at amortised cost		
DfC loans (note 21)	**38,874**	137,083
Bank loans (note 22)	**203,127,360**	185,708,820
Other loans (note 22)	**110,000,000**	90,000,000
Trade creditors (note 18)	**236,111**	250,553
Other creditors (note 18 and 19)	**4,912,827**	2,493,756
Accruals (note 18)	**6,939,495**	2,668,405

Notes to the financial statements for the year ended 31 March 2023 (continued)

24 Pension commitments

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

(i) actuarial deficiencies to be recognised immediately as a "liability" in the financial statements rather than being spread forward over employees' remaining service lives;

(ii) the actuary, in valuing the scheme's liabilities, is required to use a bond yield as the discount rate for valuing future liabilities, rather than a rate that reflects the expected return on the scheme's particular asset portfolio, with the result of an apparent increase in the present value of future longer term liabilities.

The below is in relation to employees and ex-employees who are members of the NILGOSC pension scheme.

An Actuarial Valuation of the scheme was carried out as at 31 March 2022.

Included within the Group are 2 schemes, APEX Housing Association Limited ("Apex") and Newington Housing Association (1975) Limited ("Newington"). The closing surplus of each scheme has been shown below:

	APEX		**Newington**		**Group**	
	2023	2022	**2023**	**2022**	**2023**	**2022**
	£'000	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Total market value of assets	**44,835**	46,713	**3,264**	3,154	**48,099**	49,867
Unrecognised asset	**(1,168)**	-	**-**	-	**(1,168)**	-
Present value of scheme liabilities	**(33,123)**	(48,633)	**(3,192)**	(4,371)	**(36,315)**	(53,004)
Net pension surplus/(deficit)	**10,544**	(1,920)	**72**	(1,217)	**10,616**	(3,137)

APEX Housing Association Limited

The major assumptions used by the actuary were:

	2023	2022
Rate of increase in salaries	**3.75%**	3.25%
Rate of increase in pensions in payment	**2.70%**	3.20%
Discount rate	**4.70%**	2.70%
Inflation assumption	**2.70%**	3.20%

The mortality assumptions used were as follows:

		2023	2022
		Years	Years
Average expected future life at age 65 for	- male currently aged 65	**22.2**	21.8
	- female currently aged 65	**25.0**	25.0
	- male currently aged 45	**23.2**	23.2
	- female currently aged 45	**26.0**	26.4

Notes to the financial statements for the year ended 31 March 2023 (continued)

24 Pension commitments (continued)

The fair value of the assets in the scheme were:

	2023 £'000	2022 £'000
Equities	18,517	18,965
Property	4,708	5,092
Bonds	10,402	12,099
Multi Asset Credit	5,873	6,026
Cash & Other	5,335	4,531
Total market value of assets	44,835	46,713
Unrecognised asset	(1,168)	-
Present value of scheme liabilities	(33,123)	(48,633)
Net pension surplus/(deficit)	10,544	(1,920)

Reconciliation of present value of scheme liabilities

	2023 £'000	2022 £'000
At 1 April	48,633	48,101
Service cost	2,081	2,224
Past service cost	-	-
Member contributions	301	293
Interest on scheme liabilities	1,310	1,009
Actuarial loss/(gain)	(18,629)	(2,588)
Benefits paid	(573)	(406)
At 31 March	33,123	48,633

Reconciliation of fair value of scheme assets

	2023 £'000	2022 £'000
At 1 April	46,713	42,970
Expected return on scheme assets	1,287	923
Actuarial gain/(loss)	(5,053)	848
Employer contributions	2,160	2,085
Member contributions	301	293
Benefits paid	(573)	(406)
At 31 March	44,835	46,713

Analysis of amounts charged to income and expenditure:

	2023 £'000	2022 £'000
Current service cost	2,081	2,224
Net interest on pension deficit	23	86
	2,104	2,310

Notes to the financial statements for the year ended 31 March 2023 (continued)

24 Pension commitments (continued)

Amounts for current and previous five years:

	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets	**44,835**	46,713	42,970	32,697	31,201
Unrecognised asset	**(1,168)**	-	-	-	-
Present value of defined benefit obligation	**(33,123)**	(48,633)	(48,101)	(37,965)	(37,091)
Surplus/(deficit)	**10,544**	(1,920)	(5,131)	(5,268)	(5,890)

Newington Housing Association (1975) Limited

The major assumptions used by the actuary were:

	2023	2022
Rate of increase in salaries	**4.1%**	**4.4%**
Rate of increase in pensions in payment	**2.6%**	**2.9%**
Discount rate	**4.6%**	**2.7%**
Inflation assumption	**2.6%**	**2.9%**

The mortality assumptions used were as follows:

		2023 Years	2022 Years
Average expected future life at age 65 for	- male currently aged 65	**22.2**	21.8
	- female currently aged 65	**25.0**	25.0
	- male currently aged 45	**23.2**	23.2
	- female currently aged 45	**26.0**	26.4

The assets in the scheme and the expected rates of return were:

	2023 £'000	2022 £'000
Equities	**1,347**	1,280
Property	**343**	344
Bonds	**1,185**	1,224
Cash	**193**	196
Other	**196**	110
Total market value of assets	**3,264**	3,154
Present value of scheme liabilities	**(3,192)**	(4,371)
Net pension deficit	**72**	(1,217)

Notes to the financial statements for the year ended 31 March 2023 (continued)

24 Pension commitments (continued)

Reconciliation of present value of scheme liabilities	2023 £'000	2022 £'000
At 1 April	**4,371**	4,255
Service cost	**337**	356
Member contributions	**48**	42
Interest on scheme liabilities	**118**	89
Actuarial loss/(gain)	**(1,632)**	(305)
Benefits paid	**(50)**	(66)
At 31 March	**3,192**	4,371

Reconciliation of fair value of scheme assets	2023 £'000	2022 £'000
At 1 April	**3,154**	2,926
Expected return on scheme assets	**87**	63
Actuarial gain	**(121)**	58
Employer contributions	**146**	131
Member contributions	**48**	42
Benefits paid	**(50)**	(66)
At 31 March	**3,264**	3,154

Analysis of amounts charged/ (credited) to income and expenditure:

	2023 £'000	2022 £'000
Current service cost	**337**	356
Past service cost	**-**	-
Expected return on pension scheme assets	**(87)**	(63)
Interest on pension scheme liabilities	**118**	89
	368	382

Amounts for current and previous five years:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Fair value of employer assets	**3,264**	3,154	2,926	2,256	1,975
Present value of defined benefit obligation	**(3,192)**	(4,371)	(4,255)	(3,169)	(2,686)
Deficit	**72**	(1,217)	(1,329)	(913)	(711)

Notes to the financial statements for the year ended 31 March 2023 (continued)

25 Called up share capital

Association	2023 £	2022 £
Ordinary shares of £1 each, allotted and fully paid		
At 31 March	**28**	28

26 Capital reserve

Association	2023 £	2022 £
At 31 March	7	7

27 Supporting people reserves

Association	2023 £	2022 £
At 1 April	-	-
Income	**4,152,144**	4,173,871
Expenses	**(7,015,491)**	(5,929,573)
Transfer from general reserves	**2,863,347**	1,755,702
At 31 March	-	-

This funding is restricted for use in providing housing related support services only.

28 Common fund

Association	2023 £	2022 £
At 1 April 2022 and **31 March 2023**	**20,000**	20,000

29 Capital commitments

Association	2023 £	2022 £
Capital commitments contracted for at the balance sheet date amounted to	**190,253,420**	105,661,934

30 Director emoluments

The remuneration of directors (defined as the Board and the Management Team of the Association) during the year was:

	2023 £	2022 £
Aggregate emoluments including benefits in kind	**722,967**	708,727
Pension contributions to money purchase schemes	**174,032**	178,836
	896,999	887,563

Notes to the financial statements for the year ended 31 March 2023 (continued)

30 Director emoluments (continued)

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

	2023	2022
	£	£
Aggregate emoluments including benefits in kind	**130,572**	128,562
Pension contributions to money purchase schemes	**48,604**	47,840

The number of directors to whom emoluments were paid during the year fall within each of the following bands:

Salary Band:	2023 Number	2022 Number
£130,000 - £135,000	**1**	1
£100,001 - £105,000	**3**	1
£95,001 - £100,000	**2**	2
£90,001 - £95,000	**1**	1
£85,001 - £90,000	**-**	1
£70,001 - £75,000	**-**	1
£25,001 - £25,000	**-**	1

Members of the Board serve in a voluntary capacity and none were in receipt of emoluments during the year. Expenses paid to board members during the year amounted to £829 (2022: £Nil).

31 Notes to cash flow statement

(a) Reconciliation of operating surplus to net cash inflow from operating activities	2023 £	2022 £
Surplus for the financial year	**(2,323,420)**	(2,505,808)
Deficit arising from disposals of fixed assets	**3,445,754**	335,039
Interest receivable and similar income	**(121,408)**	(23,505)
Interest payable and similar expenses	**7,813,758**	7,599,288
Other finance costs	**54,000**	2,127,811
Operating surplus	**8,868,684**	7,532,825
Depreciation of tangible assets	**8,859,655**	8,633,237
Amortisation of housing association grant	**(5,123,821)**	(4,935,140)
Profit on disposal of tangible assets	**208,271**	2,803,666
Movement in debtors	**1,232,073**	1,845,966
Movement in creditors	**3,179,858**	(1,254,421)
Movement in inventories	**33,043**	3,839,749
Pension movement	**(101,000)**	(139,000)
Net cash inflow from operating activities	**17,156,763**	18,326,882

Notes to the financial statements for the year ended 31 March 2023 (continued)

31 Notes to cash flow statement (continued)

(b) Analysis of net debt	1 April 2022 £	Cash Flows £	31 March 2023 £
Cash at bank and in hand (including cash investments)	6,158,536	19,932,119	**26,090,655**
Debt falling due within 1 year	(8,902,821)	(26,513,514)	**(35,416,335)**
Debt due after more than 1 year	(266,884,779)	(10,869,497)	**(277,754,276)**
	(275,787,600)	(37,383,011)	**(313,170,611)**
Net debt	(269,629,065)	(17,450,892)	**(287,079,957)**

32 Operating lease commitments

At the balance sheet date, the Association and group had a commitment to vehicles of £38,051 (2022: £63,257).

	2023 Other £	2022 Other £
Within one year	**26,787**	34,946
Between two to five years	**11,264**	28,311
Total	**38,051**	63,257

Notes to the financial statements for the year ended 31 March 2023 (continued)

33 Housing Stock – association

Number of units owned on 31 March	2023	2022
General needs housing	5,796	5,683
Independent living/ housing for older people (including resident scheme co-ordinator)	350	350
Supported housing (including housing with care and nursing)	559	559
Total owned	6,705	6,592
Number of units managed by (but not owned) on 31 March		
General needs housing	20	20
Total units managed at 31 March	20	20
Total units owned and managed at 31 March	6,725	6,612

34 Contingent liabilities

The Association released Housing Association Grant (net of amortisation) of £355,231 (2022: £298,869) 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 £2,849,748 (2022: £2,494,517). The accumulated amount of Housing Association Grant amortised and recognised as income as at 31 March 2023 is £69,542,973 (2022: £64,942,441) (note 12). 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 Turnover, operating costs and operating surplus

Association	2023			2022		
	Operating turnover	Operating costs	Operating surplus	Operating turnover	Operating costs	Operating surplus
	£	£	£	£	£	£
Social Housing Activities	53,001,247	(46,125,579)	6,875,668	51,908,228	(41,885,119)	10,023,109
Non-Social Housing Activities	4,134,133	(6,960,622)	(2,826,489)	4,301,646	(6,788,445)	(2,486,799)
Total	57,135,381	(53,086,201)	4,049,179	56,209,874	(48,673,564)	7,536,310

Notes to the financial statements for the year ended 31 March 2023 (continued)

35 Turnover, operating costs and operating surplus (continued)

	2023						
Association	General Needs Housing £	Independent Living Housing £	Housing with Care £	Supported Housing £	Total Social Housing Activities £	Other Income £	Total £
Income from Social Housing Lettings							
Rent receivable net of service charges	33,731,132	1,230,481	3,211,823	-	38,173,436	-	**38,173,436**
Service charges receivable	419,108	571,279	727,795	-	1,718,182	-	**1,718,182**
Care charges	-	-	2,669,862	49,504	2,719,366	2,815,421	**5,534,787**
Heating charges	4,300	140,742	-	-	145,042	-	**145,042**
Support charges	146	129,656	4,300,199	-	4,430,001	-	**4,430,001**
Management charges	-	-	-	-	-	56,701	**56,701**
Misc. income	-	-	-	-	-	132,101	**132,101**
Commercial	-	-	-	-	-	102,150	**102,150**
Income from Housing Association Grant and House sales	5,920,614	134,316	234,763	-	6,289,693	1,027,760	**7,317,452**
Gross income from rents and service charges	**40,075,300**	**2,206,474**	**11,144,442**	**49,504**	**53,475,720**	**4,134,133**	**57,609,853**
Less voids	(179,998)	(26,184)	(268,291)	-	(474,472)	-	**(474,472)**
Net Income from rents and service charges	**39,895,302**	**2,180,290**	**10,876,151**	**49,504**	**53,001,248**	**4,134,133**	**57,135,381**

Notes to the financial statements for the year ended 31 March 2023 (continued)

35 Turnover, operating costs and operating surplus (continued)

	2022						
Association	General Needs Housing £	Independent Living Housing £	Housing with Care £	Supported Housing £	Total Social Housing Activities £	Other Income £	Total £
Income from Social Housing Lettings							
Rent receivable net of service charges	31,735,177	1,219,418	3,158,691	-	36,113,286	-	**36,113,286**
Service charges receivable	157,034	536,423	593,802	-	1,287,259	-	**1,287,259**
Care charges	-	-	3,656,870	49,199	3,706,069	3,428,406	**7,134,475**
Heating charges	4,121	147,401	-	-	151,522	-	**151,522**
Support charges	-	137,193	4,148,167	-	4,285,360	-	**4,285,360**
Management charges	-	-	-	-	-	55,843	**55,843**
Misc. income	-	-	-	-	-	511,511	**511,511**
Commercial	-	-	-	-	-	83,391	**83,391**
Income from Housing Association Grant	5,283,019	134,429	234,815	-	5,652,263	1,422,961	**7,075,224**
Gross income from rents and service charges	**37,179,351**	**2,174,864**	**11,792,345**	**49,199**	**51,195,759**	**5,502,112**	**56,697,871**
Less voids	(192,873)	(43,292)	(251,832)	-	(487,997)	-	**(487,997)**
Net Income from rents and service charges	**36,986,478**	**2,131,572**	**11,540,513**	**49,199**	**50,707,762**	**5,502,112**	**56,209,874**

Notes to the financial statements for the year ended 31 March 2023 (continued)

35 Turnover, operating costs and operating surplus (continued)

	2023						
Association	General Needs Housing £	Independent Living Housing £	Housing with Care £	Supported Housing £	Total Social Housing Activities £	Other Costs £	Total £
Operating Costs							
Services	(131,260)	(438,449)	(948,440)	-	(1,518,149)	(351,282)	**(1,869,431)**
Supporting People Costs	-	(133,248)	(7,219,462)	(49,241)	(7,401,951)	(38,192)	**(7,440,143)**
Care Costs	-	214,149	(3,356,911)	-	(3,142,762)	(3,645,701)	**(6,788,463)**
Rates Payable	(3,914,046)	(161,502)	(84,464)	-	(4,160,012)	(26,978)	**(4,186,990)**
Management Costs	(7,799,745)	(655,972)	(2,495,777)	-	(10,951,494)	(1,748,813)	**(12,700,307)**
Maintenance Administration Costs	(1,201,679)	(42,997)	(340,787)	-	(1,585,463)	(122,833)	**(1,708,296)**
Planned and cyclical maintenance	(2,388,652)	(187,369)	(807,756)	-	(3,383,777)	(187,897)	**(3,571,674)**
Reactive maintenance	(2,177,843)	(157,233)	(201,118)	-	(2,536,194)	(51,803)	**(2,587,997)**
Depreciation of Social Housing	(9,256,591)	(284,533)	(446,850)	-	(9,987,974)	(106,827)	**(10,094,801)**
Other Costs	-	(165,858)	(1,291,943)	-	(1,457,802)	(680,297)	**(2,138,098)**
Total operating costs	**(26,869,816)**	**(2,013,012)**	**(17,193,508)**	**(49,241)**	**(46,125,578)**	**(6,960,623)**	**(53,086,200)**
Operating surplus/(deficit)	**13,025,486**	**167,278**	**(6,317,357)**	**263**	**6,875,670**	**(2,826,489)**	**4,049,179**

Notes to the financial statements for the year ended 31 March 2023 (continued)

35 Turnover, operating costs and operating surplus (continued)

	2022						
Association	General Needs Housing £	Independent Living Housing £	Housing with Care £	Supported Housing £	Total Social Housing Activities £	Other Costs £	Total £
Operating Costs							
Services	(59,633)	(306,860)	(764,977)	-	(1,131,470)	(359,762)	**(1,491,232)**
Supporting People Costs	-	(95,781)	(6,937,651)	(49,097)	(7,082,529)	-	**(7,082,529)**
Care Costs	-	(15)	(3,557,994)	-	(3,558,009)	(4,181,952)	**(7,739,961)**
Rates Payable	(3,670,108)	(147,132)	(63,637)	-	(3,880,877)	(12,634)	**(3,893,511)**
Management Costs	(7,415,811)	(475,695)	(1,103,869)	-	(8,995,375)	(1,319,220)	**(10,314,595)**
Maintenance Administration Costs	(1,217,745)	(40,429)	(293,426)	-	(1,551,600)	(120,007)	**(1,671,606)**
Planned and cyclical maintenance	(1,804,954)	(216,417)	(516,502)	-	(2,537,873)	(136,357)	**(2,674,230)**
Reactive maintenance	(2,671,138)	(209,352)	(170,799)	-	(3,051,289)	(28,475)	**(3,079,764)**
Depreciation of Social Housing	(8,145,336)	(287,163)	(487,806)	-	(8,920,305)	(116,330)	**(9,036,635)**
Other Costs	-	(116,706)	(1,059,086)	-	(1,175,792)	(513,708)	**(1,689,501)**
Total operating costs	**(24,984,725)**	**(1,895,550)**	**(14,955,746)**	**(49,097)**	**(41,885,119)**	**(6,788,445)**	**(48,673,564)**
Operating surplus/(deficit)	**12,001,753**	**236,022**	**(3,415,233)**	**102**	**8,822,643**	**(2,486,799)**	**7,536,310**

Notes to the financial statements for the year ended 31 March 2023 (continued)

35 Turnover, operating costs and operating surplus (continued)

DfC Management Allowances – General Needs	2023 Total £	2022 Total £
Management Allowances	**2,187,504**	2,210,076
Management costs	**(7,799,745)**	(10,712,299)
Surplus/(Deficit)	**(5,612,241)**	(8,502,223)
DfC Maintenance Allowances – General Needs		
Maintenance Allowances	**2,746,253**	2,772,701
Maintenance administration costs	**(1,201,679)**	(1,217,745)
Planned and cyclical maintenance	**(2,388,652)**	(1,804,954)
Reactive maintenance	**(2,177,843)**	(2,671,138)
Surplus/(Deficit)	**(3,021,921)**	(2,921,136)
Gross Income from Rents and service charges		
Technical	**37,294,501**	37,947,212
Non-Technical	**12,232,475**	10,454,032
Total	**49,526,976**	48,401,244

36 Particulars of lettings

Association	2023 £	2022 £
Rent and service charges	**45,571,447**	45,304,672
Less: rent losses from bad debts and voids	**(474,472)**	(570,658)
Supporting people and other subsidies	**4,430,001**	4,285,360
	49,526,976	49,019,374

37 Related party disclosures

One member of the Board is a leaseholder of the Association. Rents and service charges are charged at full rental rates.

Apex Housing Association (Ireland) Limited, Fairbuild Homes (NI) Ltd and Newington Housing Association (1975) Limited are regarded as a related party as defined by section 33 FRS 102 due to the fact that a number of directors of these companies are also members of the Board of Apex Housing Association Limited.

The transactions and balances due from/to these related parties during the financial year were as follows:

	2023 £	2022 £
Apex Housing (Ireland) Limited	**4,570,820**	4,285,157
Fairbuild Homes (NI) Ltd	**-**	101,558
Newington Housing Association (1975) Limited	**45,170**	42,851
Amount owed from related party at 31 March	**4,615,990**	4,429,566

Notes to the financial statements for the year ended 31 March 2023 (continued)

37 Related party disclosures (continued)

	2023	2022
	£	£
Apex Housing Association (Ireland) Limited		
Amount owed from related party at 1 April	**4,285,157**	4,826,641
Management and administration charge to Apex Housing Association (Ireland) Limited	**73,894**	70,617
Expenditure paid on behalf of Apex Housing Association (Ireland) Limited	**211,769**	187,899
Amounts written off	**-**	(800,000)
(Receipts from)/payments to Apex Housing Association (Ireland) Limited	**-**	-
Amount owed from related party at 31 March	**4,570,820**	4,285,157

Fairbuild Homes (NI) Ltd ("Fairbuild Homes")		
Amount owed from related party at 1 April	**101,558**	819,374
Management and administration charge to Fairbuild Homes	**1,361**	5,239
Amounts written off	**(114,380)**	
Expenditure paid on behalf of Fairbuild Homes	**11,461**	76,945
Receipts from Fairbuild Homes	**-**	(800,000)
Amount owed from related party at 31 March	**-**	101,558

Newington Housing Association (1975) Limited		
Amount owed from related party at 1 April	**42,851**	42,437
Expenditure paid on behalf of Newington Housing Association	**2,319**	414
Receipts from Newington Housing Association	**-**	-
Amount owed from related party at 31 March	**45,170**	42,851

Apex Housing Association Limited

Northern Ireland - Charity number 106107

Annual report

Strategic report of the Board for the year ended 31 March 2023

The Board present their strategic report together with the audited financial statements for the year ended 31 March 2023 of Apex Housing Association Limited (the "Association") and its subsidiaries (the "Group"). This report includes required disclosures of the Trustees Report for charity law purposes.

Principal activity

Apex Housing Association Limited ("Apex") is a major housing association managing a stock of some 6,725 homes, which will grow to over 8,500 when our current planned programmes are completed. Our business is housing and associated care and support services; and from tiny beginnings in 1965 in Derry~Londonderry, we have grown into a substantial not-for-profit housing association, led by volunteers working to social enterprise principles. We employ some 621 staff throughout the organisation and provide:

- General needs housing for families and single people
- Purpose-built accommodation for older people and families with complex needs
- Supported housing for people with mental health difficulties, learning disabilities, alcohol/drug addictions, those who are physically disabled and young people in need of support
- Housing support for vulnerable groups under the Supporting People programme
- Support services for tenants and the wider community through our community investment programme
- Community buildings under the management of local communities

Apex works across Northern Ireland in delivering social and affordable housing through the Apex Voluntary Housing Group structure. Our not-for-profit subsidiary company, Fairbuild Homes (NI) Ltd, provides affordable housing for sale. FairShare is an innovative shared ownership scheme developed by Apex. The scheme enables Apex and other housing associations in Northern Ireland to give homebuyers the opportunity to buy a share of their new home now, with the option of buying the rest later. Through FairShare, homebuyers can buy a share of a newly constructed home directly from a housing association, or from a private developer.

Newington Housing Association (1975) Limited ("Newington") is also a member of the Apex Group. Newington has its own board of management and manages a housing stock of around 716 units in North Belfast. Support and cooperation is fostered through the Group structure, allowing Apex and Newington to use their resources efficiently for mutual benefit.

What Guides us?

Our Corporate Strategy 2023 – 2026 provides us with strategic themes and objectives which set the direction of travel for everything we will do over the 3-year period. We need this to give us a focus and to make sure we are working towards common goals. To ensure we achieve these goals, the Business Plan section sets specific tasks annually for each of the 3 years. These are measurable and the outcomes are reported to the Board of Management and to shareholders at the Annual General Meeting.

The Strategy has been shaped by feedback from employees, tenants, and board members. It sets out our priorities to build on the success of the previous plan and introduces new initiatives to help deliver our aims. The themes of the Corporate Strategy feed into staff appraisals, training and development initiatives, team action plans and key performance indicators.

Apex does not operate in isolation, but instead is influenced by and must react effectively to changing contexts, not only within the housing and care sectors but also within the societal and community fabric. In the same way we must learn from our own recent past, using our experiences both good and bad, to help us plan ahead.

Due to the hard work and commitment of our staff over the lifetime of the previous Corporate Strategy 2020-2023, Apex has performed well and remains in a strong position despite challenging times.

By pulling together in the same direction we can continue our success and make a real difference to people's lives.

Strategic report of the Board for the year ended 31 March 2023 (continued)

What we value

Our Corporate Strategy gives us direction for the current 3-year period from 2023 – 2026, however our vision, mission and values will run beyond that period and underpin everything we do as an organisation, both collectively and individually.

Our Vision

For every person to enjoy great quality homes and support, in vibrant and caring communities.

Our Mission

To lead the way in building sustainable communities through the delivery of quality, affordable homes including tailored support and care services.

Our Values

We care
We want to make a positive difference to people's lives.

We take ownership
We are all responsible for ensuring we deliver our mission.

We do things well
We lead the way; we aim to get it right and to continuously improve.

We work together
We collaborate to get the best result.

We show respect
We are respectful and courteous to everyone we come in contact with.

Factors influencing our plan

Apex recognises that as we continue on our journey there are factors that will influence implementation of our plan.

We will continue to identify, assess and manage the risks, challenges and opportunities arising, in pursuit of delivering our vision.

These include:

- Ensuring effective governance
- Ensuring compliance
- Ensuring tenancy sustainment
- Implementing Welfare Reform
- Managing our finances
- Responding to the increase in housing stress
- Reducing our carbon footprint

Strategic report of the Board for the year ended 31 March 2023 (continued)

Future plans

We have consistently invested significant time and effort in governance and our robustness here is demonstrated by many positive audits and inspections and strong performance against core DfC standards. We have committed and effective staff in place, continually working to improve our systems, processes, and procedures. We have top quality office accommodation and have been successful in attracting high calibre voluntary board members.

When we are at our best we are up there with other top performing organisations. Our customers are looking for something straightforward: a responsive, reliable, and timely service offering value for money. While the majority get that service, we must strive to identify any weaknesses that adversely impact upon our performance. Using our strong work ethic, we will continue to direct our energies to improving our weaker areas and tackling issues before they become problems. Implementation of the 'Tenant and Resident Engagement Strategy 2023~2026' will help us ensure a strong customer focus and better service delivery which underpin our overall direction of travel.

Strategic priorities

Our analysis of the issues has determined that our objectives and tasks fall under five strategic priorities. By firmly committing to priority 1.0 – Sustainable communities; we will maximise our hopes of achieving all our objectives across priorities 2.0 to 5.0.

1.0 Sustainable communities
2.0 High quality, energy efficient homes
3.0 Quality Supported Living
4.0 An effective and efficient organisation
5.0 Skilled people and teams

The board has refreshed our medium-term corporate strategy for 2023-2026, in response to the current and expected operating environment and building on what we have achieved to date. This sets out a number of initiatives and activities to be undertaken or commenced in the current 3 years.

What we achieved 2020-23

- Delivered over 700 brand new homes for new tenants.
- Engaged with over 11,000 people through events and activities.
- Completed 450 disabled adaptations for tenants.
- Completed 80,000 repairs and spent over £10m on planned and cyclical upgrades.
- Accessed £0.85m of additional benefits for tenants through our welfare advice service.
- Awarded the highest DfC regulatory rating.
- Retained our investment grade credit rating.
- Secured £100m in bond finance.
- Received a CIH award for greener environment and stronger community initiative.

What we plan to do 2023-26

Priority 1 – Sustainable communities

- Deliver reliable, high quality, effective and efficient services to tenants and service users.
- Promote tenancy sustainment and respond appropriately to the changing needs of tenants.
- Work in partnership with others to provide wider community support.
- Promote tenant engagement and community investment.

Priority 2 – High quality, energy efficient homes

- Deliver an ambitious growth programme.
- Consider new housing models.
- Provide well maintained homes.
- Deliver energy efficient homes.

Strategic report of the Board for the year ended 31 March 2023 (continued)

Priority 3 – Quality supported living

- Deliver high-quality, cost-effective support and care services.
- Review service delivery, ensuring it remains strategically relevant and meets service user needs.

Priority 4 – An efficient and effective organisation

- Ensure effective governance and compliance.
- Grow the balance sheet, while meeting key financial targets.
- Work to meet government's social and affordable housing agenda.
- Deliver cost effective services.
- Ensure sustainability.
- Implement effective and efficient ICT solutions.
- Communicate effectively to drive service improvement.

Priority 5 – Skilled people and teams

- Improve workforce stability.
- Implement an effective and efficient organisational structure.
- Equip staff with the appropriate skills and knowledge to deliver high quality services.

Community Investment

Apex works across a range of vibrant and diverse communities throughout Northern Ireland and increasingly sees the need to target this work beyond our core business activities. This is necessitated by the considerable pressures society in general continues to face in a challenging economic climate. As a social landlord, we see every day the impact of a range of factors on our communities.

Apex therefore seeks to deliver a range of programmes and services that instigate positive change and make a fundamental difference to people's lives, thereby making our communities better places to live.

Through investing in people, property, and the environment, we aim to make a positive difference.
To help achieve our aim, we work with several community partners to enable tenants and residents to access a range of initiatives including self-development programmes, advice on health and well-being, budgeting and employment opportunities.

By enhancing our engagement in community investment activities, we have established Apex as one of the leading socially responsible organisations in Northern Ireland. We want to continue with this important work to ensure that we continue to build thriving communities where people want to live and work.

Key Areas

The "Community Investment Strategy 2023-2026" has been developed with the aim of supporting our communities beyond our core landlord purpose and provides a focus to ensure we are working towards our common goals which in turn have been shaped by feedback from stakeholders including tenants, community groups and employees. They target the following five pillars of activity:

- Community Empowerment & Engagement
- Health & Well-Being
- Financial Well-Being
- Work & Learning
- Volunteering

We will continue to use our influence and knowledge, work in partnership and source additional funding to deliver a range of collaborative services. These services will aim to instigate positive change and make a fundamental difference to people's lives; also contributing to wider community benefits.

Strategic report of the Board for the year ended 31 March 2023 (continued)

What we achieved 2020-23

- Supported more than 100 allotment users with an on-site horticulturalist.
- Helped more than 1,200 tenants through our Welfare Advice Service.
- Delivered more than 200 community events through the Housing for All initiative.
- Provided more than 70 meals per week through our Luncheon Club service.
- Delivered almost 65,000kg of food to local communities.
- Supported almost 200 households though our Community Supermarket.
- Raised more than £60k to support community projects in Tanzania.

What guides us 2023-2026

The 'Community Investment Strategy 2023-2026' has a range of programmes aimed at the individual, the wider community and the environment. Within the strategy we have considered the following themes:

Themes

Theme 1 – Enable people to fulfil their aspirations

- Support people to make informed decisions about their lives and increase their independence.
- Support people to recognise their potential by increasing their motivation, confidence, skills, and knowledge.

Theme 2 – Enable successful communities

- Provide opportunities for people to participate in making decisions about their communities.
- Support people to fulfil their vision and aspirations for their community and between communities.
- Promote and encourage diversity and good relations in all housing developments and particularly within areas where there is 'shared housing'.
- Develop biodiversity and sustainability initiatives within our communities.

Theme 3 – Promote positive partnerships within communities

- Support charities, social enterprises, and SMEs within our communities.
- Support the development of economic activity within the areas that we work.
- Maximise the social value impact for our communities within Apex development contracts.

Sustainability

Housing associations play an integral role in the provision of affordable and safe homes, as well as responding to wider issues of social inequality and climate change. Therefore, Apex have developed our 'Sustainability Strategy 2023-2026'. The strategy sets out our plans for the next three-year period; focusing on key actions to make a real, measurable impact within our association and communities, as well as contributing to the achievement of government sustainability targets.

Our vision for this sustainability strategy has been developed to help us integrate sustainability into all aspects of our work; from the homes we build, to the way we run our association and how we support our communities.

Strategy

In order to achieve our vision, we have developed six drivers of our strategy, with the overarching aim of contributing to the UN Sustainable Development Goals (UN SDGs).

1. Supporting residents and communities
2. Climate action
3. Environmental protection
4. Affordability
5. Supporting our people
6. Strong governance

Strategic report of the Board for the year ended 31 March 2023 (continued)

In turn, these six drivers will inform three key areas for target and action.

Target 1 – Sustainable homes

- Reduced fuel poverty
- Reduced carbon emissions
- Good quality, affordable homes
- Improved biodiversity
- Reduced resource use

Target 2 – Sustainable association

- Reduced carbon emissions from association
- Reduced resource use
- Supported and motivated staff
- Increased transparency and accountability

Target 3 – Sustainable communities

- Community pride and ownership
- Increased community support
- Improved health and wellbeing
- Net biodiversity gain in local areas
- Reduced carbon emissions across communities

Throughout 2023-2026 we will continuously monitor and periodically evaluate the success of the Sustainability Strategy.

Operating Performance

Apex measures performance through a range of key indicators which are reviewed quarterly.

Indicator	22/23 result	21/22 result
Average no. of staff employed during the year	**645**	**680**
Working time lost	**7.57%**	**6.90%**
Staff turnover	**20.54%**	**14.02%**
Units started	**553**	**307**
% of total NI starts	**28.27%**	**18.0%**
Voids % of total stock	**0.93%**	**1.42%**
Total arrears %	**7.39%**	**6.66%**
Repairs completed within response time	**88.98%**	**87.36%**
Operating margin (Group)	**14.4%**	**15.0%**
Retained surplus/(deficit) for the year (after pension changes) (Group)	**£11.6m**	**£1.3m**

Our People

Our staff are one of our most valuable assets. Apex provides a comprehensive employment package including access to pension schemes, on-going training and development, and access to a range of employee well-being initiatives.

Board of Management

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 Chief Executive and Senior Management Teams of each group company.

Gender analysis

7 members of the Board are male and 5 are female. The Senior Management Team is comprised of 3 males and 4 females. The association has 618 employees of which 21% are male and 79% are female.

Strategic report of the Board for the year ended 31 March 2023 (continued)

Events after the balance sheet date

There are no significant events that have occurred after the balance sheet date that would affect the financial statements.

Value for Money (VFM)

Apex is fully committed to achieving value for money (VFM). We recognise that we need to continue to push our performance and capacity up to higher levels if we are to meet the goals and targets set by our board. During 2023/24 we will continue to publish a VFM statement and continually monitor and report performance against that statement.

Return on social investment

Apex continues to deliver its community investment programme as set out in the note above. During the course of 2023/24, Apex will work towards the delivery of this programme and measure its outcomes for reporting to the board and stakeholders during the year.

Status

Apex Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP125) and is a Registered Housing Association with the Department for Communities (NI) – No. R23. The Association is a registered charity (Registration no. NIC106107).

Newington Housing Association (1975) Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (IP000158) and is a Registered Housing Association with the Department for Communities (NI) – No. R13. The Association is a registered charity (Registration No. NIC102477).

Risk Management

Internal and external risk evaluation remains integral to the formulation of our business strategy. Our Board and Senior Management Team has maintained its ongoing programme of risk review throughout the year, and our most significant risks currently facing the organisation are shown below. These, along with the other main business risks captured on the strategic and key risk register, are reviewed by the Board on at least a quarterly basis.

- Failure to secure adequate revenue funding for the proper management of Supported Living accommodation resulting in increasing revenue deficits.
- Difficulties recruiting qualified nurses which could result in nursing schemes operating below required staffing levels.
- Financial impact of the NILGOSC defined benefit pension scheme affecting annual accounts.
- Levels of voids in supported living accommodation leading to increasing deficits.
- Risk of cyber-attack resulting in theft or loss of data and access to IT systems.
- Failure to recruit and retain skilled and experienced staff.
- Failure of subsidiary and associated companies to meet their performance targets leading to increasing intercompany financial support.
- Financial impact of potential future delivery of affordable homes and mixed tenure developments.
- Failure to ensure effective adult safeguarding leading to breach of regulatory requirements and poor levels of care.
- Failure to manage the risk of fraud resulting in considerable financial losses and serious reputational damage.
- Failure to maintain sufficient liquidity/cash flow leading to loan default.
- Failure to implement good governance resulting in breach of regulatory requirements, reputational damage and impacting on future viability.
- Failure to comply with General Data Protection Regulations.
- Failure to have a robust and transparent procurement process in place resulting in challenges from unsuccessful contractors and wider public criticism.

Strategic report of the Board for the year ended 31 March 2023 (continued)

Performance in the year ended 31 March 2023

During the year the number of homes in management in Apex Housing Association increased by 113 units (1.71%) to 6,725. There were 176 completions, 50 house sales to tenants, and 13 shared ownership buy-outs. There were 1,107 under development at 31 March 2023. Homes under management within the Apex Housing Group increased by 113 units (1.68%) to 7,444 (net of sales and shared ownership completions).

£53.1m was spent on developing and improving housing properties during the year, partly funded by £31m of Housing Association Grant.

Association turnover increased to £57.1m (1.65%) from £56.2m in 2022. Turnover from shared ownership sales was £1.2m in 2022, whereas this was lower in 2023 at £0.6m. Operating costs increased from £48.7m in 2022 to £53.1m in 2023. Net financing costs increased by £0.2m to £7.3m. Surplus for the year was £9.5m (including actuarial gain of £12.4m on the NILGSOC defined benefit scheme) compared with a surplus of £0.1m in 2022 (including actuarial gain of £3.4m).

There was a large gain on the accounting treatment of the NILGOSC defined benefit scheme during the year (£12.4m), excluding this, the association incurred a loss of £2.87m. This was attributable to the high level of voids in supported living schemes, lower than inflation uplifts in care and support funding, and the impact of inflation on costs. The Association increased rents by 9% for general needs properties for incoming year, 23/24 year to mitigate against the impact of inflation. There was also an increase of £2.3m in supported living rents for 23/24 arising from a review of costs and charges. The association closed a loss-making supported living unit in July 22 and leased a loss-making nursing home to another operator in February 23. The combined operating losses for these 2 units in 2023 amounted to £1.23m. Work is continuing to secure further increases in income for supported living schemes via discussions with the local health trusts and NIHE Supporting People team.

Group turnover increased to £61.9m (0.3%) from £61.8m in 2022. This was due to shared ownership sales of £1.2m in 2022 compared to £0.6m in 2023 and a nil turnover from Fairbuild in 2023 compared to £800k in 2022. Group operating costs increased from £53.0m in 2022 to £56.8m in 2023. Group operating surplus for 2022 of £9.3m decreased to a group surplus of £8.90m in 2023 as a result of the impact on the parent set out above. Total comprehensive income for the year was £11.6m compared to £1.3m for 2022, however this was due to an increase the accounting value of the defined benefit pension scheme accounting for a recognised gain of £13.9m (2023) compared to £3.8m for 2022.

Expected performance in the year ended 31 March 2024

It is planned that 250 additional units will be completed during the year increasing stock owned or managed by the group to over 7,500.

By Order of the Board

Ms S McCallion
Honorary Secretary
20 September 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 Apex Housing Association Limited (the "Association") and its subsidiaries (the "Group"). This report includes required disclosures of the Trustees Report for charity law purposes.

Board of Management

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 Chief Executive and the Senior 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, which are in the strategic report, are included in this report by cross reference.

Average staff numbers decreased from 680 in 2022 to 645 in 2023. There are limited plans for additional outreach schemes due to funding constraints and therefore staff numbers are not anticipated to increase significantly in the coming financial year. Staff turnover was 20.54% (2022: 14.02%) and the average absence percentage was 7.57%, up from 6.90%, in the previous financial year.

Principal risks and uncertainties

Performance in the voluntary housing sector is affected greatly by central government decisions on matters of social and care provision in the community, housing policy, planning issues, land and construction costs, shortage of qualified nursing staff, demographic trends, energy prices, pension costs and budgetary constraints in the Northern Ireland budget. The board and senior management carry out quarterly reviews of risks and identify control measures to manage them. Some of the top key risks identified by the Association during 2023 were; funding levels in supported living schemes; voids in nursing care accommodation; difficulties in recruiting nursing and other staff; financial impact of the NILGOSC defined benefit pension scheme on the accounts; the legacy impact of Covid-19 including void levels in supported accommodation; cyber security; failure of subsidiaries to meet performance targets; financial impact of sale of affordable homes and mixed tenure developments; building and other materials cost increases; failure to ensure effective adult safeguarding; fraud; failure to ensure good governance and compliance; failure to comply with General Data Protection Regulations; and potential challenges from unsuccessful contractors if proper procurement processes are not robust.

Key performance indicators

Development

New sites starts achieved: 553 (28.27% of DfC programme)

Housing Management

	2023	2022
Allocations	**798**	897
Rent Collection	**99.66%**	100.03%
Total Arrears	**7.39%**	6.66%
Non-technical Arrears as % of NT turnover	**14.35%**	5.15%
Voids as % of rent receivable	**1.0%**	1.1%
Voids as % of housing stock	**0.93%**	1.42%
Response maintenance within time	**88.98%**	87.36%

Report of the Board for the year ended 31 March 2023 (continued)

Environment

The Association 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.

Health and safety

The Association has a dedicated health and safety officer who is dedicated to achieving the highest practical standards in health and safety management, and strives to make all sites and offices safe environments for employees and tenants alike.

Human resources

The Association's most important resource is its people; their knowledge and experience are crucial in meeting tenants' requirements. Retention of key staff is critical and the association has various strategies and plans in place to develop capacity in our teams.

Financial risk management

The Association's operations expose it to a variety of financial risks that include the effects of changes in interest rate risk, liquidity risk and currency risk. Responsibility for the management of risk is delegated to the Finance Committee.

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

Currency risk

The Association does not engage in foreign currency transactions and so is not exposed to foreign exchange risk.

Donations

The Association made charitable donations amounting to £5,790 during the financial year (2022: £Nil). No donations for political purposes were made during the financial year (2022: £Nil).

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the company.

Report of the Board for the year ended 31 March 2023 (continued)

Going concern

The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The Board considered the new financial plan for 2023/24 and beyond at their meeting held on 31st May 2023. This plan included various assumptions and stress-testing around a range of scenarios and considered any mitigations that may need to be put in place depending on the outputs of each scenario. For this reason, they continue to adopt the going concern basis in preparing the financial statements and are confident that the Group will be a going concern for at least 12 months from the date of this report.

Status

The Association is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (Registered number IP125) and is a Registered Housing Association (R23). The Association is a recognised charity for Inland Revenue purposes (Charity number: XN48080). The Association is also registered with NI Charities Commission (Charity number: NIC106107).

Board of Management

The members of the Board of the Association are listed on page 1.

Each member of the Board holds one fully paid share of £1 in the Association.

In accordance with the Rules of the Association, Ms C Cooke, Mr L Hannaway, Mr S McKenna, Ms M Nicholson, and Mr C McQuillan are due to retire by rotation and being eligible, offer themselves for re-election. Mr M Doherty has also indicated his intention to retire and is not opting to stand for re-election.

Statement of the responsibilities of the Board

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

The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of the Group and Association's affairs and of its surplus or deficit for that period. In preparing those financial statements the Board is required to:

- select suitable accounting policies and then 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 in business.

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 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. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and detect fraud and other irregularities. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of 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 Group and Association'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 Group and Association's auditors are aware of that information.

Report of the Board for the year ended 31 March 2023 (continued)

Statement on internal control

The Board acknowledges its ultimate responsibility for ensuring that Apex Housing Association Limited has in place a robust system of internal controls which is appropriate for the various business environments in which it operates and supports the achievement of the Group and Association's policies, aims and objectives whilst safeguarding its funds and assets.

Apex Housing Association Limited was established in October 1965 and has in place a range of internal controls which are and will continue to be reviewed on an annual basis.

The system of internal control is designed to manage risk to an acceptable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to achieving the Associations' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place throughout the financial year ended 31 March 2023 and up to the date of approval of the annual report and financial statements and this accords with recommended Treasury guidance.

The setting of risk appetite by the Board, and identification and assessment of the impact of risk, is incorporated into the corporate planning and decision-making processes of the Association. Consequently, the Association ensures that there are procedures in place for verifying that internal controls and aspects of risk management are regularly reviewed and reported on.

During 2022/2023 a number of measures were implemented to enhance the systems of internal control in place. These included:

1. Implementation of the Risk Management Framework;
2. Regular reporting to the Audit and Risk Committee, other Committees and the Board;
3. Annual review of the Risk Management Framework and setting of the risk appetite for 2023-24;
4. Implementation of the Decision Time Goals IT module to improve the systems for managing and reporting on key performance going forward;
5. Delivery of training on risk management to staff, Audit and Risk Committee and Board members;
6. Further development of the risk and governance arrangements through embedding of the Governance and Risk Manager role and the introduction of further administrative support.

In addition to the actions outlined above, in the coming financial year the Association plans to:

1. Continue to operate the Risk Management Framework;
2. Ensure that the Association's Audit and Risk Assurance Committee continues to review the risk framework at its meetings;
3. Embed the new systems for managing and reporting on key performance through the Decision Time IT software;
4. Continue to deliver appropriate training for staff, Audit and Risk Committee members and Board members; and
5. Strengthen the systems for ensuring compliance with external reporting requirements through development of an overarching policy for 'notifiable events' reporting.

As an integral part of its corporate planning process, the Board sets the risk appetite and the inherent risks for each corporate objective are identified and assessed for impact and likelihood using a risk matrix. The Association updates its risk registers, identifying the controls necessary to mitigate against each risk, assessing the residual risk, identifying further actions to be taken and assigning risk ownership to relevant staff.

These risks are reported to and managed by the relevant Committee of the Board and by the Audit and Risk Assurance Committee, who review and report to the Board on risk management issues. Risk is reviewed on a quarterly basis and the Board is informed of any emerging issues. The Committee receives regular reports on the implementation of internal and external audit reports and meets with the auditors on a regular basis. The Committee will commission further reports on specific issues where they feel this is necessary.

The Board has responsibility for reviewing the effectiveness of the system of internal control. Its review of the effectiveness of the system of internal control is informed by the work of the internal auditors and those within the company who have responsibility for the development and maintenance of the Association's internal control framework and comments made by the external auditors in their reporting.

Report of the Board for the year ended 31 March 2023 (continued)

A plan to address weaknesses and ensure continuous improvement of the system is ongoing. The Board has been informed by internal and external audit on the adequacy and effectiveness of internal controls operating within the Association. In the internal auditors report they have stated that in their opinion the Association's internal control systems were adequate and operated effectively thereby providing satisfactory assurance regarding the effective and efficient achievement of the Association's objectives; however a number of recommendations were made and an implementation plan is in place to address these.

Progress on issues raised by internal and external audit continues to be formally monitored through the Audit and Risk Assurance Committee.

Taking all of these matters into account the Board is suitably content that the internal control framework in operation within the Association provides reasonable assurance that objectives will continue to be met.

Independent auditors

The auditors, ASM, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board

Ms S McCallion
Honorary Secretary
20 September 2023

Apex Housing Association Limited

Northern Ireland - Charity number 106107

Annual return

Independent auditors' report to Apex Housing Association Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Apex Housing Association Limited ("the Association") and its consolidated undertakings ("the Group") for the year ended 31 March 2023 which comprise: the Consolidated and Association Statements of Comprehensive Income, the Consolidated and Association Statements of Changes in Reserves, the Consolidated and Association Statements of Financial Position and the Consolidated Cash Flow Statement and the related notes, which include a description of the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Housing SORP – Statement of Recommended Practice for Social Housing Providers.

In our opinion, the Consolidated and Association financial statements:

- give a true and fair view of the state of the affairs of the Group and of the Association as at 31 March 2023 and of the income and expenditure of the Group and of the Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969), the Housing (Northern Ireland) Order 1992, the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993, the Charities Act (Northern Ireland) 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.

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' responsibility for the audit of the financial statements section of our report.

We are independent of the Group and the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. The Board is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of our knowledge and understanding of the Group and the Association obtained in the course of the audit, we have not identified material misstatements in the Report of the Board and the Strategic Report.

We have nothing to report in respect of the following matters where the Charities (Northern Ireland) Act 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 require us to report to you if, in our opinion:

- the information given in the Report of the Board and the Strategic Report is inconsistent in any material respect;
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required to complete our audit.

We have nothing to report in this regard.

Under the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969) 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's financial statements are not in agreement with the accounting records.

We have nothing to report in this regard.

Responsibilities of the Board

As explained more fully in the Board's Statement of Responsibilities on page 15, the Board of Management 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 of Management 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.

In preparing the financial statements, the Board is responsible for assessing the Group's and 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 they either intend to liquidate the Group and the Association or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibility 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.

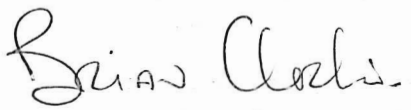
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting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

We considered the opportunities and incentives that may exist within the Group and the Association for fraud and identified the greatest potential for fraud in the following areas: management override of controls relating to posting of journals. To address this risk we discussed the risks with client management and designed audit procedures to test 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. This description forms part of our auditors' report.

Use of our report

This report is made solely to the Board in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969) and article 19 of The Housing (Northern Ireland) Order 1992. Our audit work has been undertaken so that we might state to the Board those matters 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 Association and the Board, for our audit work, for this report, or for the opinions we have formed.



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

20 September 2023