



Registered No. IP000306
Charity Registration No. NIC 104547

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
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ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
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BOARD OF MANAGEMENT & ADVISORS

Board of Management

Mr Tom Doran (Chair)
Mr Ian McAvoy (Vice-Chair)
Ms Nicole Mulholland
Ms Deborah Reynolds
Ms Sara McClintock
Mrs Denise McElrea
Ms Catherine Blackbourne
Mr Robert Hutchinson
Ms Chi Ting Yip
Mr Christopher Dickison

Chief Executive & Company Secretary

Mr James P McShane

Registered Office

Unit 1, Hawthorn Office Park
43 Stockmans Way
Belfast
BT9 7ET

Registered under the Co-Operative and Community Benefit Societies Act (Northern Ireland) 1969 No IP00306
Registered with the Department for Communities (NI) R50
Registered with the Charity Commission for Northern Ireland NIC104547

Solicitors

Edwards & Co
3rd Floor, Sessia House,
61-67 Donegall Street
Belfast
BT1 2QH

Independent Auditors

RBCA Limited
Linenhall Exchange
26 Linenhall Street
Belfast
BT2 8BG

Bankers

Danske Bank
Donegall Square West
Belfast
BT1 6JS

**ARK HOUSING ASSOCIATION NORTHERN IRELAND LIMITED
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REPORT OF THE BOARD OF MANAGEMENT

The Board of Management presents their strategic report and the audited financial statements for the year ended 31 March 2025 for Ark Housing Association Northern Ireland Limited (the "Association").

Principle Activities

The Association is a non-profit making Housing Association providing a range of social housing and support services across Northern Ireland for those in need. Our principal activities include:

- Developing new build social housing in response to identified need;
- Providing housing management and tenancy support services;
- Undertaking response, cyclical and planned maintenance works;
- Assisting people to stay in their own homes through home adaptation services;
- Providing temporary accommodation and support services to homeless families;
- Providing a Floating Support Service to the wider community;
- Partnering others in the delivery of specialist housing & support provision.

Vision, Mission and Values

Our vision is *'Making a positive difference by empowering people and communities'* and its mission is *'In partnership, provide quality homes and support services to meet housing need and contribute to the well-being of communities'*.

Our core values, which have the acronym **PRIDE**, are:

| | |
|----------------------|---|
| Progressive | - <i>Forward thinking, supporting change and transformational</i> |
| Respect | - <i>Treat everyone with dignity & esteem</i> |
| Integrity | - <i>Maintain the highest professional and personal standards</i> |
| Diversity & Equality | - <i>Value diversity and equality in everything we do</i> |
| Excellence | - <i>Strive to deliver the highest standards of quality and customer care</i> |

We currently own 867 homes (2024 – 814 homes) across a wide geographical area providing housing and associated services across a diverse spectrum including:

- General needs homes;
- Mobility and wheelchair bungalows;
- Sheltered Housing;
- Temporary Accommodation;
- Specialist homes for those living with mild to moderate dementia, learning difficulties and mental ill-health.

Corporate Governance

In the opinion of the Board, the Association is compliant with the Best Practice issued by the NHF Code of Governance.

Board of Management

The Association is governed by a voluntary Board, which during the year, consisted of 10 persons with a wide range of skills and experience. The gender balance of the Board during 2024-2025 was 60% female, 40% male.

The work of the Board was supported by its committees which include the Audit, Compliance and Risk committee, the Investment committee, the Governance committee and the Remuneration committee.

| Board/Committees | Number of Meetings during 2024-25 |
|------------------------------------|--|
| Board | 5 |
| Audit, Compliance & Risk Committee | 5 |
| Performance & Investment Committee | 4 |
| Governance Committee | 1 |
| Remuneration Committee | 1 |

REPORT OF THE BOARD OF MANAGEMENT (CONT'D)

Going Concern

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

Internal Financial Control

The Board is responsible for the Association's system of financial control and along with Senior Management is responsible for establishing and operating detailed control and reporting procedures. The systems of internal financial control can only provide reasonable, and not absolute, assurance against material misstatement and loss.

The Board has reviewed the effectiveness of the Association's system of financial control. The review included consideration of the business risks facing the Association and of the existing internal financial control procedures. The key elements of the control system in operation are:

- The Board has adopted a formal schedule of matters reserved for its approval, ensuring it maintains responsibility for overall strategy, approval of all property transactions and other major capital expenditure projects.
- There is an organisational structure with clearly defined lines of responsibility and delegation of authority.
- Detailed budgets are prepared covering the Association's business, which are reviewed and approved by the Board. In the monthly management accounts, the actual results are compared against the budget and appropriate action identified and initiated.
- The Board reviews matters relating to internal control and receives reports on a regular basis from the external and internal auditors and from Senior Management.
- The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing, and is regularly reviewed by the Board.

Board Responsibilities

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

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

The members of the Board of Management 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. They have general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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REPORT OF THE BOARD OF MANAGEMENT (CONT'D)

Statement of Disclosure of Information to Auditors

So far as each of the members of the Board is aware:

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

Auditors

A resolution to appoint RBCA Limited was proposed and agreed at the Annual General Meeting on 24 June 2024.

By order of the Board



Mr. Tom Doran
Chair of the Board of Management

Belfast
30 June 2025

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

Financial Performance

Our turnover for the financial year 2024-25 increased to over £8.0m compared to over £6.7m in 2023-24. This represents an 18.5% increase. This substantial increase clearly reflects the Association's strong growth strategy.

Further indication of our growth can be evidenced in the continual increase in equity.

Our surplus is used to fund loan capital repayments and to fund our long-term home improvement plans. Our budget has been well managed, and the performance this year was strong, exceeding budget expectations. We achieved a gross margin of 41.5% and a net margin of 25.7%, both calculated using the adjusted operating surplus and turnover.

We have a strong Balance Sheet with the cost of property fixed assets increasing by £14.7m from the 2023/24 financial year to over £128m at March 2025. This increase is largely due to our investment in new homes and some expenditure on major improvements to our existing homes.

The liquidity position of the Association is closely monitored in line with our Treasury policy, to ensure the availability of cash to meet its short-term liabilities. Although the ratio of current assets to current liabilities (not including short term HAG) is only 0.61:1, the Association has in place a Revolving Credit Facility of £5.8m. The delay of drawing down until needed minimises loan interest repayments.

Our bank loan balances increased by £6.3m during the year due to drawdowns from our Revolving Credit Facility (RCF), reflecting the Association's ambitious growth strategy. This has resulted in our gearing ratio increasing slightly from 23% at March 2024 to 25% at March 2025. This is still an extremely low gearing ratio, well below the bank's maximum 50% range, allowing the Association capacity for continued growth.

The Association is also in a fortunate position to have 72% of its loans fixed at very competitive rates. In today's market of high inflation and high interest rates this is very advantageous.

Loan interest is one of our largest areas of expenditure and therefore even small increases can have a significant impact on the Association's overall performance. We manage this risk in line with our Treasury Management Policy by adhering to a mix of fixed and variable rates in order to balance risk whilst benefiting from more favourable variable rates. Our average loan interest rate for the financial year was 3.5%. In the current economic climate, where the Bank of England base rate, before accounting for the bank's margin, is 4.25%, an average of 3.5% interest rate is very positive for the Association.

Risk Management & Assurance

Our corporate risk identification and management process not only considers risks that are unique to Ark Housing but also those risks that affect the wider housing sector due to economic policy and political influence.

Each risk is continually assessed with respect of the likelihood of something happening and the impact it would have on our business if it happened, as well as the action taken to mitigate those risks.

The Board and Executive Team are committed to embedding risk management throughout the organisation and its systems and controls are designed to ensure that any exposure to significant risk is properly managed.

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

Risks identified and monitored throughout 2024/2025 include:

- Building Safety & Compliance
- Counterparty Failure / Business Continuity
- Quality Data Management & Security

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)

- Compliance with Regulatory Standards in Development & Adaptations
- Lone working
- Project Delivery
- Geo-political Influences & the Macro-Economic Climate

We completed internal audits throughout the year to provide further assurances on our internal systems, processes and controls and these included Property Developments and Adaptations. Both internal audit reports returned satisfactory outcomes in the business areas examined and we were pleased to receive a satisfactory annual assurance report from our internal auditors in respect to the same.

Safeguarding

The welfare of adults and children is of utmost importance to us, and we are committed to practices that reduce risk and promote safeguarding. We continue to review our policies and procedures and in September 2024, we undertook a review of our Adult and Children at risk safeguarding policies. Our staff recognise their responsibilities and are committed to adhering to the policies and procedures in place. We recognise that staff training and development is important, particularly with regard to safeguarding and our staff participated in Safeguarding training in May 2024. We continue to ensure that all new staff are provided with an overview during induction. The Association's Adult Safeguarding Champion continues to investigate and report safeguarding issues to the Association's Board, Charities Commission and Supporting People. During 2024/2025, the Board fully implemented its Safeguarding reporting obligations.

Fraud

The Board are concerned with ensuring that the assets of the Association are protected from the risk of theft, misappropriation, or other such unauthorised disposal, from wherever the source is, including through fraudulent actions.

The Association's fraud policy applies to everyone engaged in activities on behalf of the Association, including board members, staff, tenants, members of the public, contractors, agents and others.

This policy sets out the responsibilities of all staff regarding the prevention of fraud and the actions to be taken where a fraud is suspected or detected.

The Association completed the four quarterly DfC Fraud returns for the financial year. We reported 2 tenancy fraud investigations during 2024-25. Both cases are now closed and there are no cases open.

Value for Money

We define Value for Money (VFM) as 'obtaining the maximum benefit from our assets. It is simply not the cheapest way of doing something. It is about finding the best combination between:

- Keeping the cost to a minimum
- Achieving more with our resources to deliver a greater level of service
- Achieving the best outcomes for our tenants

We are committed to providing the best value for money for services for our tenants. Demand for services is continually increasing, and resources are limited, therefore we constantly review our services and how we manage resources to ensure that we can continue to re-invest savings into meeting our tenants' needs, increasing the number of homes we provide and mitigating risks.

Our strategic approach to achieving VFM is driven by our corporate plan and our other strategies which complement the plan. We continually examine our plans and results across the entire organisation, all of which have a common theme in mind of maximising efficiencies and opportunities to achieve the maximum for our tenants.

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)

Budgetary Control

We produce annually a Financial Long-Term Business Plan, which sets out the following 5-year growth strategy and objectives and then extends for an additional 25 years to ensure the strategy's long-term financial viability, by confirming that future income streams will be sufficient to meet future expenditure. The plan identifies the financing required and demonstrates the Association's ability to repay the loans and meet banking covenants as well as measuring other important KPI's. The model is then re-run several times, testing the impact of changes to the key assumptions. The assumptions which will have the greatest impact on forecasting are selected for testing.

In addition, we set a detailed annual budget which includes efficiency targets and improvements and acts as a control mechanism for both the Associations' income and expenditure. Performance is measured against budget throughout the financial year through monthly and quarterly Management Accounts.

Procurement

The procurement of goods and services is a large expense area and therefore we have a robust procurement policy and procedures in place to ensure when we award supplier contracts, we achieve VFM in every contract. The whole organisation is encouraged to drive value for money improvements, however big or small.

Our head office administration costs had an overall saving of £12k for the financial year, and it is an area where we are constantly striving to reduce the unit cost over the longer term through our growth plans. It is still a challenging time to achieve cost cuts, as we continue to experience price increases in the current economic climate of high inflation and high interest rates. However, we will continue to positively engage in new technologies to ensure VFM through our processes.

Service charges are reviewed annually. Again, with high inflation, it is still a challenging time to achieve savings and lower costs. However, the Association will continually strive for competitive contracts to drive service costs downwards so that we are able to pass these savings on to our tenants as a means of offsetting other increasing costs.

Our People

Investing in our people is crucial to achieving VFM. One of our five strategic themes is to be a leading employer and that commitment is reflected throughout our personnel policies.

We are committed to recognising, rewarding, and retaining highly motivated staff. Staff feedback is instrumental in striving to continually improve workforce performance, leading to service improvement. In our most recent staff survey 92% reported that they were satisfied in their employment with 89% proud to work for us. We also invested over £31k in staff training and development.

We operate a hybrid workplace model, which has been made possible by technological advancements. As a forward-looking organisation, we wish to embrace the benefits of providing staff with a work-life balance whilst also ensuring that productivity and creativity are maintained, through our Hybrid Working policy.

We continually ensure that we meet our equality statutory requirements under section 75 of the Northern Ireland Act 1998. During the year we employed an average of 41 people. The gender balance was 75% female, 25% male and the Senior Executive Team comprised of 25% female, 75% male. Staff retention for the year was 95.2% at year end, sickness absence levels were measured at an average of 4.8% during the year.

Meeting Housing Need – New Build Development

This year marked the 3rd year of our 2022-2027 Corporate Strategy which aims to achieve 1,300 homes under management by March 2027.

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)

By the end of March 2025, the Association had made significant progress towards achieving this strategic objective with 867 homes in management, a further 319 homes on site and under construction, and a further 122 starts under final appraisal and progressing positively towards final approval having been carried over from 2024-25.

Of the 319 homes under construction at year-end, 245 of those carried over as ongoing projects from the previous year, and 74 had newly started during the 12-month reporting period. Our in-year starts figure was lower than expected for various operational reasons, resulting in the 74 as aforementioned starts carrying over.

Of the 867 homes under management at year-end, 48 of those were completed during the reporting period, with an additional 60 not achieving in-year completion as expected. Those 60 completions are expected to finalise within Quarter 1 and Quarter 2 of 2025-26.

Throughout the year, we invested £14.7m in providing new properties and component replacements equating to a Property Fixed Asset growth of 12.9% and a property unit growth of 6%. To fund our development programme, we have an undrawn Revolving Credit Facility balance of £5.8m and loan balances of just over £32.8m, of which £23.6m is fixed, providing protection against the current high interest rates and further potential interest rate increases.

With our continued investment in, and focus on growth, we are not only delivering much needed housing but making a significant contribution towards the wider economy and ensuring our longer-term financial sustainability and strategic relevance. With a combined total of 1,308 homes either in management, on-site, or awaiting approval, the Association has already made significant progress towards achieving its overall five-year strategic target.

Planned Maintenance

An annual budget is agreed for major upgrades to our stock in accordance with our asset management strategy and stock condition surveys. We recognise that it is more cost-effective to invest in maintaining our properties through a comprehensive planned component replacement programme, which will not only give our properties a longer life but will over the long term produce savings in routine maintenance spend.

This year we invested £633k in planned maintenance and component replacements, against a budgeted spend of £770k. This demonstrates that as well as investing in new homes, we are committed to maintaining our current homes to a high quality for the well-being and comfort of our tenants.

The budget was spread across several schemes, with particularly large expenditure for fire safety works in three schemes, various boiler and heating upgrades, replacement external doors and windows and major lift component replacement in two schemes.

We also undertook several home adaptations to enable our residents to live safely and more independently within their homes as their physical needs change. During the year we completed fifteen home adaptations at a cost of £47k.

Health & Safety (Compliance)

We demonstrated compliance in Health & Safety through our Cyclical Servicing Compliance Monitor. Performance was presented quarterly to the Investment Committee and Board in relation to gas servicing, fire protection, lift, legionella testing and other areas. 100% of the necessary servicing was completed in year and/or at year end except gas servicing (98%), oil boiler servicing (98%) and lift serving (97%).

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)

Achieving Affordable Rents & Maximising Rental Income

We aim to set rents that are affordable for our tenants, however it is equally vital that rents are set at an adequate level to cover the costs of maintaining our properties to a high standard and to service debt. During the 2024/25 financial year we applied a rent increase of 5.7%, in line with September CPI minus 1%.

The overall average rent for a self-contained property during 2024/25 was £107.99, compared to the 2023/24 financial year which was £102.19.

We operate in an increasingly challenging financial environment, and so minimising our rental losses through effective arrears management is also vital. Without a reliable income stream, service delivery may be jeopardised, loan commitments may not be met, thus making further funding more difficult and there will be a detrimental effect on the Association's reputation.

Thus, we have a robust arrears management policy and procedural action plans in place to promote a 'rent payment culture'. We aim to address losses from arrears and to recover debt as cost effectively as possible. There is continual reporting and monitoring in the monthly finance report and KPI framework to ensure timely reaction to growing arrears. We provide advice and assistance to tenants, promote money advice services and debt reduction strategies and intervene early to avoid unmanageable debts building up.

The total amount of arrears for the 2024/2025 financial year end was 8.7%, which was above our KPI target of 8%. Of these, 7.2% were attributed to current tenants and 1.5% former tenants. Of the current tenants, 6.7% was identified as technical arrears, meaning those arrears would be payable in time by statutory agencies and the net current rent arrears (i.e. non-technical which are paid directly by tenants) equated to 1.9% at year end.

The Association has been taking measures to ensure that rent arrears are effectively managed, by ensuring early intervention and continual engagement with tenants and statutory agencies.

The turnover of housing stock is an integral part of social housing provision that inevitably results in periods where properties are void. Good void management has a huge economic and social benefit in maximising rental income and meeting housing needs. We continually report and review losses from void properties both in our finance reporting and our KPI framework and constantly aim to reduce void periods in our properties.

Our rental loss through voids was 1.6% against a budget of 1.3%. During the year, we completed a total of 122 permanent social housing allocations, with the net average re-let time of 36 working days.

Housing Services and Engaged Communities

We continually monitor the quality of services delivered to our tenants. Our repairs service is paramount to achieving high levels of tenant satisfaction and VFM and during the year we completed a total of 3,437 repairs with 2,930 (91.9%) of those being completed within our published timescales.

Our year end repair response times are further broken down below categorised by urgency group:

| Urgency Indicator | % Response Time |
|--------------------------|------------------------|
| Emergency | 90% |
| Urgent | 92% |
| Routine | 93% |

We recognise that all tenants have the right to reside in a safe and peaceful environment. As a responsible landlord, we are committed to delivering a proactive and effective service in addressing instances of anti-social behaviour. Throughout the year, we have worked in close partnership with our Tenants Forum to review and strengthen our approach to managing such issues. During the reporting period, 63% of all anti-social behaviour cases were successfully closed.

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)

During 2024/2025, substantial progress was made in enhancing our tenant engagement initiatives, with a strong emphasis on ensuring tenants were given meaningful opportunities to influence and shape the services we provide. Over the course of the year, we facilitated 32 tenant meetings, conducted 8 estate walkabouts, and carried out 5 consultations relating to planned maintenance. Additionally, we participated in 23 interagency meetings and successfully encouraged 8% of our tenants to sign up to our tenant participation register.

The Tenants Forum has continued to play a vital role in informing and improving our service delivery. Meeting on four occasions throughout the year, the Forum contributed significantly in the following areas:

- Supporting the planning and delivery of the annual tenant conference
- Reviewing and approving the 2025/26 tenant participation budget
- Providing recommendations to the compliance team to enhance access for gas servicing
- Monitoring Key Performance Indicators to help assess service performance
- Reviewing the results of the tenant satisfaction survey and developing a targeted action plan based on the feedback received

Ark Housing remains firmly committed to the promotion and delivery of shared housing, supported by the Department for Communities and the Northern Ireland Housing Executive through the 'Housing for All' programme. With a shared housing portfolio comprising seven developments and a total budget exceeding £2.6 million, we continue to implement and advance Good Relations Plans across each scheme. Throughout the year, we worked in collaboration with a range of partner organisations to deliver these plans effectively. As a result of these efforts, a total of 156 'Housing for All' programs and activities were successfully delivered.

We consistently utilise tenant feedback to enhance satisfaction levels, and in 2024/2025, our annual tenant satisfaction survey was conducted by our independent consultant, Service Insights. As part of this process, Service Insights collaborated closely with our Tenants Forum to develop the survey questions and to agree on appropriate methods of engagement.

The results of the survey show that:

- 71% of tenants are satisfied with the overall service provided by the Association;
- 76% of tenants were satisfied with the safety and security of their home;
- 74% of tenants were satisfied that their home was well maintained;
- 74% of tenants were satisfied with the safety and security of the area they live in;
- 72% of tenants felt that the rent and service charges are value for money;
- 82% of tenants were satisfied with the ease of contacting Ark staff;
- 83% of tenants were satisfied with the ease of reporting a repair.

Complaints

We welcome complaints as a means of learning and being able to continuously improve. In 2024/2025, 2 formal complaints were received, with them both being partially upheld. 100% of these complaints were investigated and responded to within our published timescales.

Homeless Services

During 2024/2025, demand for the Floating Support service remained strong, with the team receiving 180 referrals over the course of the year. By the end of March 2025, 118 clients were actively receiving support. In addition, a total of 226 support cases were successfully closed during the year.

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)

In addition to delivering the Floating Support service, we have organised a range of resident and community engagement activities that have significantly strengthened relationships between the families we support and the wider community. To compliment these efforts, we secured £15,940 in funding from various sources, including the Education Authority's TBUC Camps, the Public Health Agency, Belfast City Council, and Eden Communities' Sharing Table initiative.

This funding enabled the successful delivery of a diverse programme of activities that have had a meaningful impact on the lives of families engaged with the Floating Support service. The programme has promoted mental well-being, encouraged social integration, and supported community development.

Furthermore, in the lead-up to Christmas, we received an additional £6,370 from the Department for Communities. This was used to purchase vouchers, allowing families to enjoy gifts and treats during the festive season, a time that can be especially challenging for many, making the holiday period a bit more joyful and manageable.

Key Performance Indicators (KPIs)

We measure key performance throughout all areas of the Association with a range of indicators which are deemed to be the most essential to organisational success and which link directly to our corporate themes.

We use the traffic light system to demonstrate those areas where we are meeting our targets and to alert us to those areas of underperformance that require our attention. Key Performance Indicators are reported quarterly to the Board and Investment Committee so that they can be reviewed and monitored, thus embedding our VFM strategy into our processes. This framework ensures that performance improvement is a priority.

Our KPI's link directly to our strategic themes and quarter 4 results, i.e. March 2025, are set out below:

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STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)

Corporate Theme 1 – Leading Employer

| CORPORATE STRATEGY THEME 1: LEADING EMPLOYER | REPORTING FREQUENCY | KPI DESCRIPTOR | KEY PERFORMANCE INDICATOR RANGE | | | Mar-25 |
|--|------------------------|--|------------------------------------|-----------|-------|--------|
| | | | Red | Amber | Green | |
| Learning & Development Expenditure | Annual | budget spent / approved budget | <75% | 75% - 84% | >85% | 117% |
| Employee Learning & Development | Annual | total staff received L&D / total staff | <90% | 90% - 94% | >95% | 100% |
| Employee Performance Coaching | Annual | total staff coached / total staff | <90% | 90% - 94% | >95% | 100% |
| Employee Retention | Quarterly | total staff voluntarily resigned / total staff | <80% | 80% - 89% | >90% | 95% |
| Employee Sickness Absence (Total) | Quarterly | total days lost to illness / total working days | >6% | 5% - 6% | <5% | 5% |
| Employee Sickness Absence (Long-Term) | Quarterly | total days lost to illness / total working days (Long-term 1+ Month) | >3% | 2% - 3% | <2% | 2.7% |
| Staff feel satisfied with Ark Housing as a place to work | Annual | total % staff reporting from attitudes survey 2023 | <70% | 70% - 75% | >75% | 92.0% |
| Staff feel recognised and rewarded | Annual | total % staff reporting from attitudes survey 2023 | <70% | 70% - 75% | >75% | 78.0% |
| Staff enjoy a healthy work-life balance | Annual | total % staff reporting from attitudes survey 2023 | <70% | 70% - 75% | >75% | 78.0% |
| Staff feel highly motivated, engaged & satisfied | Annual | total % staff reporting from attitudes survey 2023 | <70% | 70% - 75% | >75% | 78.0% |
| Staff feel empowered and valued | Annual | total % staff reporting from attitudes survey 2023 | <70% | 70% - 75% | >75% | 78.0% |

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STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)

Corporate theme 2 – Better Homes, Greater Diversity

| CORPORATE STRATEGY THEME 2: BETTER HOMES, GREATER DIVERSITY | REPORTING FREQUENCY | KPI DESCRIPTOR | KEY PERFORMANCE INDICATOR RANGE | | | Mar-25 |
|---|------------------------|--|------------------------------------|-----------|-------|--------|
| | | | Red | Amber | Green | |
| Number of Units Started | Quarterly | starts against target (accumulative) | <45 | 45-57 | >57 | 74 |
| Number of Units Completed | Quarterly | completions (accumulative) | <81 | 80-101 | >101 | 53 |
| Fire Alarm Servicing | Quarterly | valid service records / total eligible schemes | <90% | 90% - 99% | 100% | 100% |
| Gas Safety | Quarterly | valid service records / total eligible properties | <95% | 95% - 99% | 100% | 97.8% |
| Carbon Monoxide Alarms | Quarterly | properties with CM alarms / total properties | <95% | 95% - 99% | 100% | 100% |
| Mould Prevalence | Quarterly | Prevalence of mould in our homes | <7% | 5% - 7% | 5% | 1.5% |
| Mould Management | Quarterly | Reported & identified mould cases proactively managed and monitored | 95% | 95% - 99% | 100% | 100% |
| Boiler Servicing (excludes gas) | Quarterly | valid service records / total eligible properties | <80% | 80% - 89% | >90% | 97.8% |
| Fire Risk Assessments | Quarterly | schemes with valid FRA / total eligible schemes | <95% | 95% - 99% | 100% | 100% |
| Legionella | Quarterly | schemes with valid test / total eligible schemes | <95% | 95% - 99% | 100% | 100% |
| Environmental Inspections | Quarterly | schemes with up-to-date inspection / total schemes | <90% | 90% - 95% | 100% | 100% |
| Lift Servicing | Quarterly | schemes with valid record / total eligible schemes | <90% | 90% - 99% | 100% | 97% |
| Fixed Wire Testing | Quarterly | properties with valid certificate / total properties | <80% | 80% - 99% | 100% | 100.0% |
| Adaptations Contractor Performance | Quarterly | jobs completed on time / adaptation jobs raised | <70% | 70% - 79% | >80% | 87.6% |
| Energy Performance Certification | Annual | average EPC rating | <C74 | >C75<C77 | >C78 | 78.9 |
| Adaptations Satisfaction | Annual | tenants satisfied with works / number of tenants surveyed | <70% | 70% - 79% | >80% | 100% |
| Adaptation Grant Claims | Annual | grant claims submitted on time / number of jobs completed | <100% | - | 100% | 100% |
| Planned & Cyclical Performance | Annual | schemes completed on time / programmed for completion | <80% | 80% - 90% | >90% | 90% |
| Planned Maintenance Satisfaction | Annual | tenants satisfied with works / number of tenants surveyed | <70% | 70% - 79% | >80% | 100% |

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

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)

Corporate Theme 3 – Engaged Communities, Greater Impact

| CORPORATE STRATEGY THEME 3: ENGAGED COMMUNITIES, GREATER IMPACT | REPORTING FREQUENCY | KPI DESCRIPTOR | KEY PERFORMANCE INDICATOR RANGE | | | Mar-25 |
|---|------------------------|---|------------------------------------|-------------|-------|--------|
| | | | Red | Amber | Green | |
| No of Interagency & Community Forum Meetings Attended | Quarterly | Number of Meetings attended (accumulative) | <=5 | 6 to 8 | >9 | 23 |
| No of general tenant & resident meetings held | Quarterly | Number of Meetings held (accumulative) | <=5 | 6 to 8 | >9 | 32 |
| % of eligible tenants attending tenant & resident meetings | Quarterly | Average of eligible tenants attending tenant & resident meetings (accumulative) | <=6% | 6.1% - 9.9% | >10% | 14% |
| No of Official Tenant Forum Meetings Held | Quarterly | Meetings held (accumulative) | <2% | 3 | >=4 | 4 |
| % of tenants signed up to tenant participation register | Quarterly | Total number of tenants on register / total number of tenancies | <6% | 6% - 9% | >10% | 8% |
| Total number of New Scheme Settling In Meetings held | Quarterly | Meetings held (accumulative) | <12% | 12 to 14 | >14 | 12 |
| No of "estate walkabouts" undertaken | Annual | Number of events undertaken | <3 | 4 to 6 | >=7 | 8 |
| No of planned maintenance consultation meetings held | Annual | no. of unique tenants engaged / total number of eligible tenants | <3 | 4 | >5 | 5 |
| No of Housing For All Events, Programmes, and Community Occasions Delivered | Annual | Number of events undertaken | <80 | 80 - 99 | >100 | 156 |

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

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)

Corporate Theme 4 – Service Excellence, Satisfied Customers

| CORPORATE STRATEGY THEME 4: SERVICE EXCELLENCE, SATISFIED CUSTOMERS | REPORTING FREQUENCY | KPI DESCRIPTOR | KEY PERFORMANCE INDICATOR RANGE | | | Mar-25 |
|---|------------------------|---|------------------------------------|------------|----------|--------|
| | | | Red | Amber | Green | |
| Overall Repairs Performance | Quarterly | repairs completed on time / all repairs completed | <70% | 70% - 79% | >80% | 91.9% |
| Emergency Repairs Performance (24 Hours) | Quarterly | emergency jobs completed on time / emergency repairs completed | <75% | 75% - 84% | >85% | 90.3% |
| Urgent Repairs Performance (4 Working Days) | Quarterly | urgent jobs completed on time / urgent repairs completed | <70% | 70% - 79% | >80% | 92.2% |
| Routine Repairs Performance (20 working Days) | Quarterly | routine jobs completed on time / routine repairs completed | <70% | 70% - 79% | >80% | 93.3% |
| Occupancy Rate | Quarterly | occupied days / number of available days | <94% | 94% - 95% | >96% | 99.0% |
| Void Stock | Quarterly | void properties / total stock (quarter-end snapshot) | >4% | 3% - 4% | <3% | 0.2% |
| Average Relet Time | Quarterly | relets x days void / total number of relets | >25 days | 21 - 25 | <20 days | 36 |
| First Time Let Performance | Quarterly | firsttime lettings on time / total number of new lets | <70% | 70% - 79% | >80% | 85.0% |
| Tenancy Fraud Prevalence | Quarterly | number of tenancy fraud investigations / total stock | >2% | 1% - 2% | <1% | 0.3% |
| Anti-social Behaviour Prevalence | Quarterly | number of open ASB investigations / total stock | >4% | 3% - 4% | <3% | 1.8% |
| Anti-social Behaviour Performance | Quarterly | ASB cases closed / total cases reported | <55% | 55% - 69% | >70% | 63.0% |
| Formal Complaints Prevalence | Quarterly | no. of formal complaints received / total stock | >4% | 3% - 4% | <3% | 0.2% |
| Formal Complaints (1st Stage Resolution) | Quarterly | no. of complaints resolved at stage 1 / total received | <70% | 70% - 79% | >80% | 100.0% |
| Formal Complaints (Ombudsman) | Quarterly | no. of complaints referred / total received | >5% | 4% - 5% | <4% | 0% |
| Homeless Services Capacity | Quarterly | no. of current homeless support clients / maximum capacity (201) | <70% | 70% - 79% | >80% | 58.0% |
| Homeless Services Throughput (Floating Support) | Quarterly | no. of client support cases successfully closed / total clients | <30% | 30% - 50% | >50% | 130.0% |
| Homeless Services Throughput (Accommodation) | Quarterly | no. of clients in planned move-on / number of clients (41) | <50% | 50% - 100% | >100% | 43.0% |

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

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT (CONT'D)

Corporate Theme 5 – Financial Assurance, Sustainability

| CORPORATE STRATEGY THEME 5: FINANCIAL ASSURANCE, SUSTAINABILITY | REPORTING FREQUENCY | KPI DESCRIPTOR | KEY PERFORMANCE INDICATOR RANGE | | | Mar-25 |
|---|------------------------|---|------------------------------------|---------------|--------|--------|
| | | | Red | Amber | Green | |
| Interest Cover | Quarterly | adjusted surplus (surplus+depreciation-amortisation)/net interest payable | <1.4 | 1.4 | >1.4 | 2 |
| Gearing Ratio | Quarterly | total loans / property fixed assets | >50% | 50% | <50% | 25.0% |
| Average Interest Rate (Loan Portfolio) | Quarterly | total loans / annual interest payable | >4.15% | 4% - 4.15% | <4% | 3.5% |
| Gross Margin | Quarterly | adjusted operating surplus / adjusted turnover (turnover-amortisation) | <42% | 42% - 42.9% | >43% | 41.5% |
| Net Margin | Quarterly | adjusted surplus / adjusted Turnover | <21.5% | 21.5% - 22.7% | >22.8% | 25.7% |
| Return on Capital Employed | Quarterly | operating surplus / net assets | <1.55% | 1.55% - 1.59% | >1.6% | 1.9% |
| Management cost per unit | Quarterly | total management costs / number of units | >£855 | £828 - £855 | <£828 | £825 |
| Maintenance cost per unit | Quarterly | total maintenance costs / number of units | >£1290 | £1246 - £1290 | <£1246 | £1,215 |
| Rent & Other Charges Collected | Quarterly | opening rent arrears + rent rec'ble - closing rent arrears / rent rec'ble | <96% | 96% - 97% | >98% | 100.8% |
| Total Arrears | Quarterly | total arrears / annual rent receivable | >5.75% | 5.5% - 5.75% | <5.5% | 8.7% |
| Current Tenant Arrears | Quarterly | current tenant arrears / annual rent receivable | >4.5% | 4.0% - 4.5% | <4% | 7.2% |
| Former Tenant Arrears | Quarterly | former tenant arrears / annual rent receivable | >1.75% | 1.5% - 1.75% | <1.5% | 1.5% |
| Current Tenant Technical Arrear | Quarterly | technical arrear (owed by statutory body)/annual rent receivable | >2.8% | 2.5%-2.8% | <2.5% | 6.7% |
| Net Current Tenant Arrears | Quarterly | non-technical arrear (owed by tenant) / annual rent receivable | >1.7% | 1.5% - 1.7% | <1.5% | 0.6% |
| Non-Technical Arrears | Quarterly | non-technical arrear / annual non-technical rent receivable | >5% | 5% | <5% | 2.4% |
| Total Void Loss | Quarterly | void loss / rent, rates, service charges receivable | >1.4% | 1.3% - 1.4% | <1.3% | 1.6% |
| Total Void Loss (GN) | Quarterly | GN void loss / GN Rent, rates, service charges receivable | >1.2% | 1% - 1.2% | <1% | 1.4% |
| Total Void Loss (Supported) | Quarterly | Supported void loss /Supported rent, rates, service charges receivable | >3.5% | 3%- 3.5% | <3% | 3.6% |
| Total Void Loss (Sheltered) | Quarterly | sheltered void loss / sheltered rent, rates, services charges receivable | >3.5% | 3% - 3.5% | <3% | 2.4% |

By order of the Board


 Mr James McShane
 Company Secretary

Belfast
 30 June 2025

Ark Housing Association Northern Ireland Limited
Annual report and financial statements for the year ended 31 March 2025

Independent Auditor's Report to the Members of Ark Housing Association Northern Ireland Limited

Opinion

We have audited the financial statements of Ark Housing Association Northern Ireland Limited (the 'company') for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice for Social Housing Providers issued by the National Housing Federation.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the requirements of the Co-operative and Community Benefits Societies Act (Northern Ireland) 1969 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969), the Charities Act (Northern Ireland) 2008, The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 of Management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

Ark Housing Association Northern Ireland Limited
Annual report and financial statements for the year ended 31 March 2025

Independent Auditor's Report to the Members of Ark Housing Association Northern Ireland Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibilities of the Board of Management

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

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

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the Board of Management and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the Board of Management.
- We communicated applicable laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

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

Independent Auditor's Report to the Members of Ark Housing Association Northern Ireland Limited

- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries, and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential basis; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other required reporting

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

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

- A satisfactory system of control over transactions has not been maintained; or
- We have not received all the information and explanations we require for our audit; or
- Proper accounting records have not been kept by the association; or
- The financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

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

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

- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

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

Independent Auditor's Report to the Members of Ark Housing Association Northern Ireland Limited

Use of our report

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



.....
Brian Stewart (Senior Statutory Auditor)

For and on behalf of RBCA Limited, Statutory Auditor

Linenhall Exchange

26 Linenhall Street

Belfast

BT2 8BG

Date: 30/06/2025

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

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

All amounts above relate to continuing operations.

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

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

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

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

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

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

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

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

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

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

Chair of the Board of Management

Mr Tom Doran



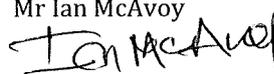
Company Secretary

Mr James McShane



Board Member

Mr Ian McAvoy




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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

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

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

1 Accounting Policies

1.1 Basis of Accounting

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

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

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

1.2 Turnover

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

1.3 Other Tangible Fixed Assets and Depreciation

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

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

1.4 Housing Properties

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

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

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

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

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

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

1 Accounting Policies (Cont'd)

1.5 Impairment of fixed assets

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

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

1.6 Housing Association Grant

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

1.7 Restricted Reserves

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

1.8 Retirement Benefits

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

1.9 Disposal Proceeds Fund

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

1.10 Tenants' Services Fund

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

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

1 Accounting Policies (Cont'd)

1.11 Employee Benefits

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

1.12 Cash and Cash Equivalents

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

1.13 Financial Instruments

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

Basic financial assets

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

Impairment of financial assets

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

Derecognition of financial assets

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

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

1 Accounting Policies (Cont'd)

Classification of financial liabilities

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

Basic financial liabilities

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

Derecognition of financial liabilities

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

1.4 Judgement and Key Sources of Estimation Uncertainty

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

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

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

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

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

2 Turnover, operating costs and operating surplus

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

Income from Social Housing

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

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

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

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

Income from Social Housing

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

Operating Costs

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

Operating Surplus

1,972,061

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

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

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

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

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

DFC Allowances

| | 2025 | 2024 |
|-----------------------|-----------|-----------|
| | £ | £ |
| Management Allowances | 279,972 | 260,964 |
| Management Costs | (587,353) | (443,563) |

Deficit

| | |
|------------------|------------------|
| <u>(307,381)</u> | <u>(182,599)</u> |
|------------------|------------------|

| | | |
|----------------------------------|-----------|-----------|
| Maintenance Allowances | 328,048 | 305,776 |
| Planned and cyclical maintenance | (137,497) | (70,874) |
| Reactive Maintenance | (463,994) | (289,586) |

Surplus/(Deficit)

| | |
|------------------|-----------------|
| <u>(273,443)</u> | <u>(54,684)</u> |
|------------------|-----------------|

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

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

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

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

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

Housing Stock

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

3 Board Members' emoluments

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

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

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

4 Employee information

| | 2025 | 2024 |
|---|------------------|------------------|
| Average monthly number of persons employed during the financial year by activity: | Number | Number |
| Office | 22 | 21 |
| Support Staff | 19 | 18 |
| | <u>41</u> | <u>39</u> |
| Staff Costs | £ | £ |
| Wages and salaries | 1,322,669 | 1,230,098 |
| Social security costs | 129,978 | 110,168 |
| Other pension costs | 235,360 | 220,016 |
| Agency costs | - | 102,878 |
| | <u>1,688,007</u> | <u>1,663,160</u> |

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

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

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

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

5 Interest receivable and similar income

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

6 Interest payable and similar charges

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

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

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

7 Operating Surplus

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

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

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

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

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

9 Other Tangible Fixed Assets

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

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

11 Creditors - amounts falling due within one year

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

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

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

12 Creditors - amounts falling due after more than one year

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

13 Deferred Grant - Housing Association Grant

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

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

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

14 Loans

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

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

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

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

15 Retirement Benefits

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

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

Assumptions

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

Mortality Rates

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

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

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

15 Retirement Benefits(continued)

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

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

Reconciliation of funded status to balance sheet

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

Income and expenditure impact

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

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

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

15 Retirement Benefits (continued)

Changes to the present value of obligations

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

Changes to the fair value of assets

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

Actual return on assets

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

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

16 Called up Share Capital

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

17 Capital Reserve

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

18 Revenue Reserve

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

19 Restricted Reserve

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

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

20 Contingent liabilities

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

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

21 Commitments

Capital Commitments

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

Operating Lease Commitments

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

22 Related party disclosures

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

23 Notes to the Cash Flow Statement

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

24 Analysis of Changes to Net Debt

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