

Reg no. IP 000394

Alpha Housing (Northern Ireland) Ltd

Report and Financial Statements

For the Year Ended 31 March 2022

Contents page

	Page
Board of Management and Advisers	1-2
Report of the Board of Management	3-11
Independent Auditor's Report	12-15
Statement of Comprehensive Income	16
Statement of Changes in Equity	17
Statement of Financial Position	18
Statement of cash flows	19
Notes to the Statement of cash flows	20-21
Notes to the financial statements	22-33

Board of Management and Advisers

The Board

Mr J Glass	Chair (elected 16 th September 2021)
Mr K Dempsey	Vice Chair
Mr E Moore	Secretary (retired on 25 th July 2022)
Mr C Logan	(elected 16 th September 2021)
Mr J P O'Doherty	(elected 16 th September 2021)
Mrs Rachel Steenson	(elected 16 th September 2021)
Mr E Sweeney	(elected 16 th September 2021)
Ms J Winters	(elected 16 th September 2021)
Ms I Kingston	
Mr A R McAlister	
Mr J McConnell	
Mr J G Clarke	(retired and co opted on 16 th September 2021)
Ms C Cooney	(retired 15 th September 2021)
Mrs E Askham	(retired 15 th September 2021)
Mr A Halligan	(retired 15 th September 2021)
Dr R S J Todd	(retired 15 th September 2021)
Mrs P Mallon	(resigned 31 st March 2022)

Chief Executive

Mr C Watt

Registered office

Alpha House
6 Edgewater Road
Belfast
BT3 9JQ

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 formerly the Industrial and Provident Societies Act (Northern Ireland) 1969.

Registered number

IP 000394

Registered with the Charity Commission for Northern Ireland – NIC 105339

Alpha Housing (Northern Ireland) Ltd
Year Ended 31 March 2022

Statutory Auditors

ASM (B) Ltd
Glendinning House
6 Murray Street
Belfast
BT1 6DN

Bankers

Danske Bank
Donegall Square West
Belfast
BT1 6JS

Solicitors

Carson McDowell
Murray House
4 Murray Street
Belfast
BT1 6DN

Report of the Board of Management for the year ended 31 March 2022

The Board presents its report and the audited financial statements for the year ended 31 March 2022.

Mission, Vision and Values

Alpha Housing's mission is 'To provide homes and services that help people flourish.'

Our vision to 2025 is to 'Be recognised as a leading provider of exemplary homes and support.'

All of Alpha Housing's activities are underpinned by our values – 'We Care; We Serve; and We Build'.

Status

Alpha Housing came into operation on 1 July 2009. It was registered by Companies Registry as an Industrial and Provident Society on 23 March 2009 (number IP394) and by the Department for Social Development on 29 April 2009 (number R54). The Association also has charitable status (number NIC 105339) and is a member of the Northern Ireland Federation of Housing Associations. The Association is regulated by the Department for Communities as a registered housing association.

Principal activities

Alpha Housing provides 975 homes in 40 locations across Northern Ireland.

The Association's ambition is to:

- Enhance lives by providing high-quality, affordable homes and services;
- Building beautiful homes and vibrant communities;
- Stewarding our resources wisely;
- Being an excellent employer; and
- Helping deliver positive social and environmental change.

Governance

Alpha is committed to the highest standards in governance.

During 2021-22, the Department for Communities issued its third annual formal regulatory judgements under the revised regulatory framework. This confirmed that for 2020-21, Alpha achieved the highest level of compliance (Level 1) in all areas encompassing governance, financial viability and service standards.

A new Chair of the Board was elected – John Glass, Director of Infrastructure & Projects Delivery at Translink. Five further Board members were appointed: Craig Logan, JP

O'Doherty, Rachel Steenson, Eamonn Sweeney and Judith Winters. Their professional expertise encompasses corporate finance, corporate governance, IT, civil engineering and construction, and town planning.

The refreshed Board developed and approved a new corporate strategy to underpin Alpha's development over the next three years.

Statement of Compliance with Code of Governance

2021-22 was the third full year Alpha has followed the National Housing Federation's Code of Governance (2015). This is widely used by housing associations across the UK and reflects good practice in our sector.

Alpha is compliant with the Code of Governance. This has been confirmed following a recent detailed self-assessment against the Code's requirements.

Risk management

Alpha Housing continued to effectively manage and mitigate risk during 2021-22.

Corporate and departmental risk registers are systematically used by the Board, committees and senior management to effectively identify and manage risks.

Four internal audits were carried out by Wylie & Bisset during the year covering Corporate Procurement; Customer Service & Complaints Handling; Management Accounting; Absence Management; and an IT Vulnerability Scan. All resulted in the highest 'Satisfactory' rating, with auditors making fewer recommendations than their average for housing association internal audits in these areas. Much good practice was recorded, and helpful recommendations were made.

The Audit & Governance Committee's Chair His Honour Judge Burgess stepped down after several years of distinguished service. The Committee's new Chair is Stephen Kearney, who is a Partner in Fitzpatrick and Kearney Chartered Accountants.

The Audit & Governance Committee continues to be pleased with the performance of internal auditors Wylie & Bisset, a Scottish firm with extensive social housing experience. This is helping to maximise the contribution of internal audit to ongoing business improvement.

Response to Coronavirus pandemic

During 2021-22, for a second full business year, the Coronavirus (COVID-19) global pandemic continued to dominate our operating environment.

Protecting tenants and staff remained over-riding priorities. Thankfully, although COVID-19 was still a threat to the health and wellbeing of tenants and staff, the situation improved significantly during the year. Much of this was due to the continued roll-out of vaccines,

booster jabs and anti-viral treatments. Alpha actively promoted the take up of vaccines and boosters to our tenants and staff.

Many normal scheme activities still had to be suspended to protect tenants and staff, such as coffee mornings and lunch clubs. However, especially during the latter part of the year, many scheme activities began to be restarted. Protective measures included limiting numbers, improving ventilation and social distancing. Tenants greatly enjoyed being able to gather again for companionship, food and fun.

To protect staff, and in line with statutory guidance, for the whole of 2021-22 home working continued to be the default arrangement for Alpha's usually office-based staff. Frontline staff in Alpha's sheltered housing schemes benefitted from measures including enhanced Personal Protective Equipment, especially higher-grade respirator masks. Given the ongoing stress caused by the pandemic, greater support was provided, such as counselling and other mental health services through local provider Inspire Wellbeing.

Delivering high-quality housing and support

Alpha strives to provide exemplary homes and support to tenants in our sheltered housing schemes. We are indebted to the scheme co-ordinators and cleaners who consistently excel themselves in providing high-quality services to residents. Support provided ranges from practical assistance arranging repairs or accessing healthcare, to organising social activities, helping to reduce isolation and loneliness.

Over the last year, despite the pandemic, overall housing management performance has continued to be strong. Arrears have been low, with arrears on 31 March 2022 totalling 1.8% of rental income. Only £3,565 of past tenant arrears had to be written off during 2021-22, equating to 0.08% of rent due.

Having suspended allocations during lockdowns to help protect tenants and staff, great progress was made in re-letting the higher number of vacant homes that resulted. During 2021-22, 166 new lettings were made, equating to 17% of total stock, which reduced the number of vacant ('void') homes from 59 to 23 over this twelve-month period. Importantly, void losses due to COVID-19 in our sheltered schemes continued to be compensated in full by the Housing Executive's Supporting People team.

Tenant participation

Alpha is committed to ensuring that our tenants have a full opportunity to help shape the services they receive and hold us to account for our performance.

During 2021-22, COVID-19 continued to greatly inhibit tenant participation activities, which pre-pandemic in our sheltered schemes had been heavily reliant on face-to-face engagement in coffee mornings and similar gatherings. The usual annual 'Time for Tenants' meetings in our sheltered schemes, providing scope for any maintenance or housing management concerns to be raised, were not able to be held in 2021-22.

The Tenants Committee therefore met less frequently during with 2021-22, with meetings primarily on Zoom (although face-to-face meetings have re-started in 2022-23). To help

protect tenants, a face-to-face meeting of the wider Tenants Forum was also not possible, although these meetings are expected to re-start in 2022-23.

However, Tenants Committee Chair Chris Craig presented again to the 2021 Annual General Meeting (AGM), outlining the Committee's activities during the previous year and summarising tenants' priorities.

During 2021-22, significant progress was made in responding to tenants' views expressed in the 'STAR' survey in March 2021. Although the survey demonstrated a high level of satisfaction (91% overall), it indicated tenants' desire to see improvements in the day-to-day repairs service and general responsiveness to residents' views and concerns. Action has been taken to address these points, such as in ensuring that greater customer focus (for example in making and keeping appointments) is required in our new response maintenance Measured Term Contract (MTC), due to become operational in 2022-23.

Tenants have also expressed a desire to see further improvements in outdoor spaces at our sheltered schemes. This was strongly supported in 2021-22, including through funding for tenant-led gardening initiatives; *ad hoc* projects to remedy specific problem areas; and larger scale landscaping initiatives, such as at Carnvue Court in Newtownabbey. Tenant feedback on these efforts has been very positive.

Value for money

Alpha is striving to provide good quality homes and support services for a reasonable cost.

For 2021-22, a rent increase of 1.5% was applied to decontrolled rents. This compares favourably to the 2.5% increase in state pensions most of our tenants received from 6 April 2021.

Most of our tenants are in sheltered housing and therefore pay a weekly charge comprising 'core' rent, service charge and support charge. Changes were made to our service charge policy in 2019 to more fully cover the costs of providing services through service charges, therefore making services more sustainable and bringing our practice in to line with other housing associations. As in 2020-21, this meant that for 2021-22, most tenants' service charges increased by more than inflation through the resulting adjustments.

A major ongoing challenge for Alpha as a mainly sheltered housing provider is the sustainability of funding for support services, given the ongoing squeeze on Supporting People funding. Grants were again frozen for 2021-22, another significant real terms cut with the effect of inflation. This meant that tenants' support charges had to be frozen again, leading to a £70k deficit in this area (a £50k increase from 2020-21), given the need to sustain scheme co-ordinators hours during the pandemic.

Overall, the 1.5% rent increase, above inflationary increases in most service charges, and continued freeze in support charges meant that most sheltered tenants' weekly charges increased by 1.7% to 2.3% for 2021-22. Given the 2.5% increase in state pensions applied in April 2021, this increase was considered reasonable and appropriate by the Board. Also, benchmarking indicates that Alpha's overall weekly charges to tenants are at around median levels for sheltered housing in Northern Ireland.

Value for money is as much about the quality as the cost of services. As already highlighted, there is clearly still ample scope for further improvements. However, a range of data, from the recent STAR survey to Supporting People inspection reports and Housemark benchmarking data, provides persuasive evidence that most tenants are receiving good housing and support services. Nonetheless, Alpha is determined to further improve services, notwithstanding significant concerns about the viability of support services over the medium to long-term.

More detail on Alpha's work in this area will be included in the value-for-money statement which, in line with regulatory requirements, will be published alongside our Annual Regulatory Return to DfC for 2021-22.

Maintaining our homes

At Alpha, we pride ourselves on the quality of the homes provided. High standards are upheld through the work of staff and contractors, and significant ongoing investment in response, cyclical and major repairs.

Despite many ongoing challenges caused by the pandemic, and supported by our valued contractors, Alpha continued to invest significantly in our homes during 2021-22, despite housing associations and contractors grappling with severe skill shortages, scarcity of materials and accelerating inflation.

In response maintenance, 5,568 repair orders were completed during 2021-22, equating to 5.7 response repairs per home. Expenditure reduced slightly, from £669K in 2020-21 to £645k (including repairs relating to services and support). Response time performance was reasonably good: 92% of emergency repairs were completed in 24 hours, versus an Alpha target of 90%; and 88% of urgent repairs were completed in 4 working days, versus an Alpha target of 80%. Furthermore, 93% of routine repairs were completed in 20 working days, versus an Alpha target of 80%.

Response time performance was reasonably good during 2021-22. 92% of emergency repairs were completed in 24 hours, versus an Alpha target of 90%; and 88% of urgent repairs were completed in 4 working days, versus an Alpha target of 80%. Furthermore, 94% of routine repairs were completed in 20 working days, versus an Alpha target of 80%.

A major programme of planned maintenance was delivered in 2021-22 valued at £1.4M, equivalent to £1,465 per home. Windows and doors were replaced at Agherton Grange, Portstewart; Alexander Court, north Belfast; Cross Street, Killyleagh; Greenmount Court, Bangor; Johnston Close and Mooreland Close, Ballymena. Meanwhile, electric central heating was upgraded at The Whins, Crumlin. Also, landscaping projects were completed at Carnvue Court, Newtownabbey and Giffen Place, east Belfast. Other planned maintenance included many *ad hoc* gas boiler replacements and extensive fire safety works.

Building new homes

During the year, construction works continued at Alpha's second development in recent years at Fir Park in Broughshane. Developed by Ballymena-based Martin & Hamilton, this exemplar scheme will provide 14 apartments built to the HAPPI principles, a blueprint for high-quality housing for older people. The project is expected to be completed in early autumn 2022.

The Board remains committed to an aspirational development target of building at least 220 new homes between 2022-27. Many potential development opportunities are being explored by new Development Director James Wright, which will mainly come to fruition in 2022-23 and subsequent years.

2021-22 financial performance

Responsibility for Alpha's finances is reserved to the Board, which includes senior finance professionals and many others with experience of managing significant budgets.

The results for the year were:

Turnover	£6,143,818
Operating costs	£5,463,959
Operating Surplus	£679,859
Total comprehensive income for the year	£629,467

Turnover increased by 2.2% compared to 2020-21. With operating costs having increased significantly, as expected, from 2020-21, the operating surplus increased to £679,859 from £531,225. Total comprehensive income for the year increased accordingly to £629,467.

The Board believes this was a satisfactory financial performance during an especially challenging year.

Expected performance in Year Ending 31 March 2023

Turnover is expected to grow by 3.8% to £6.4M due to new schemes, lower voids and rent increases. Expenditure is budgeted to increase by 10% to £6.1M due to projected increases in response and planned maintenance costs, largely driven by market conditions, property costs, salaries and increased depreciation associated with new scheme development. An operating surplus of £281,547 was included in the budget for 2022-23 approved by the Board in February 2022. The Association is planning for the risks to its financial performance from fast-rising inflation. These are monitored by the Senior Management Team, with financial forecasts reviewed and adjusted for each month and reported formally to the Board at each meeting.

The Association will pursue new development opportunities in 2022-23 and has ensured that the appropriate funds are available as required. Planned and cyclical maintenance

programmes will continue and expenditure on these is expected to be in the region of £1.5M.

Treasury

Responsibility for Treasury Management is reserved to the Board. The Association's Treasury Management Policy facilitates the effective management of cash flows, borrowings, investments and the risks associated with these activities. At 31 March 2022, Alpha had Department for Communities loans outstanding of £53K and cash reserves of £3.6M.

To support Alpha's growth ambitions, a bank loan facility for up to £10M is in place with Danske Bank. However, this has not yet been needed as the Association's only current new-build development, at Fir Park, is being funded through cash reserves.

Throughout the year, the Association has continued to be supported by Jonathan Boggs on Treasury and financial management. This has included the updating of our longer-term financial plan (LTFP) and associated stress testing.

Statement of the Board of Management responsibilities

The relevant legislation requires the Board 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 financial statements the Board is required to:

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

The Board is responsible for keeping proper accounting records which (i) disclose with reasonable accuracy at any time the financial position of the Association and (ii) enable it to ensure that the financial statements comply with the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and detect fraud and other irregularities.

Statement of disclosure of information to auditors

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

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

Statement on internal financial control

The Board acknowledges that it has ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable reassurance about:

- The reliability of any financial information that is published, or is used within the Association;
- The maintenance of proper accounting records; and,
- The protection of the Association's assets against their unauthorised use or disposition.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable (and not absolute) assurance against material financial misstatement or loss. The key elements of these systems include ensuring that:

- There are formal policies and procedures (including the documentation of key systems and rules relating to the delegation of authorities) which allow the monitoring of controls and which seek to prevent the unauthorised use of the Association's assets;
- Experienced staff, suitably qualified, are responsible for the key functions within the organisation;
- Forecasts and budgets are prepared so that the Board and management can monitor both key business risks and financial objectives and also the progress towards financial plans set for the year and the medium term;
- Regular management financial statements are prepared which provide relevant, reliable and up-to-date financial information; and
- Significant variances from budgets are investigated as appropriate.

All significant initiatives, major commitments and investment projects are subject to formal authorisation procedures through relevant committees which are controlled by Board members.

The Board reviews reports (from management and from the internal auditors) in order to provide reasonable assurance that the control procedures are in place and are being followed. The work of the external auditors also provides some assurance through the year-end audit and the provision of an internal control report.

Alpha Housing (Northern Ireland) Ltd
Year Ended 31 March 2022

The Board has reviewed the system of internal financial control in existence in the Association for the year ended 31 March 2022. No weaknesses were found in internal financial controls which resulted in any material losses, contingencies or uncertainties which would require disclosure, in these financial statements, or in the auditor's report.

Independent Auditors

The Audit and Governance recommended to the Board that ASM Chartered Accountants be reappointed as the Association's external auditors and ASM Chartered Accountants have indicated a willingness to continue in office. A resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to be 'J. Glass', written in a cursive style.

John Glass
Chair
22 September 2022

Independent Auditor's Report

Opinion

We have audited the financial statements of Alpha Housing (Northern Ireland) Ltd ("the Association") for the year ended 31 March 2022 which comprises the statement of comprehensive income, the statement of changes in equity, the statement of financial position, the statement of cash flows and the related notes to the financial statements, including a summary of 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 Housing SORP: 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 Association's affairs as at 31 March 2022 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969), with the requirements of Article 19 of the Housing (Northern Ireland) Order 1992, Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993, the Charities Act (Northern Ireland) 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.

Basis of 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 Association 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 those 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

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

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

Independent Auditor's Report (cont'd)

Other information

The other information comprises the information included in the Report of the Board of Management other than the financial statements and our auditor's report thereon. The Board of Management is responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in so doing, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Opinion on other matters prescribed by the Companies Act

In our opinion, based on the work undertaken in the course of the audit;

- the information given in the Report of the Board of Management for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Management has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Management.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board of management

As explained more fully in the Board of Management 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (cont'd)

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Use of our report

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

Alpha Housing (Northern Ireland) Ltd
Year Ended 31 March 2022

This report is not yet signed

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

8 September 2022

Statement of Comprehensive Income

For the year ended 31 March 2022

	Notes	2022 £	2021 £
Turnover	3	6,143,818	6,010,951
Operating costs	3	5,463,959	5,479,726
Operating surplus / (deficit)		679,859	531,225
Gain / (loss) on disposal of fixed assets		1,310	5,656
Interest payable	7	(6,708)	(12,796)
Interest receivable		5,510	7,720
Finance costs	10	(50,504)	(41,420)
Surplus / (deficit) before tax		629,467	490,385
Taxation		-	-
Surplus / (deficit) after tax		629,467	490,385
Other comprehensive income			
Unrealised surplus / (deficit) on revaluation of housing properties		-	-
Total comprehensive income for the year		629,467	490,385

The notes on pages 22 to 33 form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 March 2022

	Share Capital	Capital reserve	Revenue reserve	Total
	£	£	£	£
Balance at 1 April 2021	19	70	12,850,799	12,850,888
Surplus / (deficit) for the year	-	-	629,467	629,467
Other comprehensive income	-	-	-	-
Transfers between reserves	1	(1)	-	-
Issue of share capital	-	-	-	-
Balance at 31 March 2022	20	69	13,480,266	13,480,355

The notes on pages 22 to 33 form part of these financial statements.

Statement of Financial Position

As at 31 March 2022

	Notes	2022 £	2021 £
Fixed assets			
Housing properties	11	30,515,760	30,034,491
Other tangible fixed assets	13	543,466	585,498
		31,059,226	30,619,989
Current assets			
Trade and other debtors	14	242,851	480,970
Cash and cash equivalents		3,609,098	4,129,684
		3,851,949	4,610,654
Less: Creditors: amounts falling due within one year	15	(2,234,590)	(2,850,360)
Net current assets / liabilities		1,617,359	1,760,294
Total assets less current liabilities		32,676,585	32,380,283
Creditors: amounts falling due after more than one year	15	(19,196,230)	(19,529,395)
Total net assets		13,480,355	12,850,888
Reserves			
Share capital	19	20	19
Revenue reserve		13,480,266	12,850,799
Capital reserve	20	69	70
Total reserves		13,480,355	12,850,888

These financial statements were approved by the Board of Management and authorised for issue on 22nd September 2022 and signed on its behalf by:

Mr J Glass
Chairman

Ms I Kingston
Secretary

Mr K Dempsey
Vice Chair

The notes on pages 22 to 33 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2022

	Notes	2022 £	2021 £
Net cash inflow / outflow from operating activities	A	1,692,478	1,905,142
Returns on investments and servicing of finance	B	(51,702)	(46,493)
Capital expenditure and financial investment	B	(2,115,919)	(1,734,559)
Cash inflow / outflow before use of liquid resources and financing		(475,143)	124,090
Financing	B	(45,443)	(292,278)
		(520,586)	(168,188)

Reconciliation of net cash flow			
Cash at 1 April 2021			4,129,684
Increase / decrease in cash in period			(520,586)
Cash at 31 March 2022			3,609,098

The notes on pages 22 to 33 form part of these financial statements.

Notes to Statement of Cash Flows

For the year ended 31 March 2022

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

	2022 £		2021 £
Operating surplus / deficit	679,859		531,225
Depreciation	1,733,628		1,677,141
Amortisation of grant	(835,444)		(813,351)
Exceptional costs			-
Movements in:			
Rent arrears	(6,932)		(2,278)
Other debtors	234,420		(31,359)
Creditors less than one year	(113,053)		543,764
	1,692,478		1,905,142

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

Returns on investment and servicing of finance	2022 £		2021 £
Interest received	5,510		7,720
Bank charges	(57,212)		(54,213)
Net cash inflow / (outflow) for returns on investment and servicing of finance	(51,702)		(46,493)
Capital expenditure and financial investment			
Other fixed assets	-		(105,745)
Housing, land and buildings	(2,165,873)		(2,852,996)
Capital grant received	48,644		1,213,182
Proceeds from sale of tangible fixed assets	1,310		11,000
Net cash inflow / (outflow) for capital expenditure and financial investment	(2,115,919)		(1,734,559)
Financing			
Loan principal repayments	(45,443)		(292,278)
Net cash inflow / (outflow) from financing	(45,443)		(292,278)

Notes to Statement of Cash Flows (cont'd)

For the year ended 31 March 2022

C. Analysis of changes in net funds

	At 01/04/21 £	Cashflows £	Other Changes £	At 31/03/22 £
Cash in hand and at bank	4,129,684	(520,586)	-	3,609,908
Bank Loans	(98,586)	(45,443)	-	(53,143)
	4,031,098	(566,029)	-	3,556,765

Notes to the financial statements

1. Legal status

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

2. Accounting Policies

2.1 Basis of accounting

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

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

2.2 Revenue recognition

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

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

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

2.3 Government and other grants

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

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

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

2.4 Tangible fixed assets

Housing properties

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

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

Depreciation of Housing properties

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

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

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

Depreciation of other tangible fixed assets

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

Leasehold building	- 60 years
Scheme furniture and equipment	- Between 3 and 5 years
Motor vehicles	- 4 years
Office furniture and equipment	- Between 4 and 10 years

2.5 Impairment

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

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

2.6 Employee benefits

Defined Contribution Pension

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

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

2.7 Tenants' Services Fund

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

2.8 Disposal Proceeds Fund

The net surpluses, after loan repayments, that arise from the sale of property to tenants under the voluntary purchase grant arrangements, instituted by the Department for Communities, can be utilised by the Association. If the surpluses are not used within two years of their receipt they may be payable in part or in full to the Department for Communities.

2.9 Income tax

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

2.10 Value Added Tax

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

2.11 Financial instruments

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

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

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

2.13 Going concern

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

3. Turnover, Operating costs and operating surplus

	2022			2021
	£		£	£
	Operating Turnover		Operating Costs	Operating Surplus/ (deficit)
Social Housing Activities (Note 4)	6,051,442		5,366,583	568,383
Non-Social Housing Activities (Note 5)	92,376		97,376	(37,158)
	6,143,818		5,463,959	531,225

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

	2022 £			2021 £
	General	Sheltered	Total	Total
Operating Income				
Rent Receivable	386,669	3,178,929	3,565,598	3,454,430
Service Charges Receivable	-	836,023	836,023	793,250
Rates Receivable	53,366	435,334	488,700	477,950
Support Charges Receivable - Supporting People	-	278,492	278,492	266,223
Support Charges Receivable - Tenants	-	123,649	123,649	156,539
Direct Emergency Funding – Covid 19	-	143,376	143,376	193,087
Income from SHG/HAG	72,851	719,508	792,359	766,704
Income from Other Grants	1,867	41,220	43,087	56,647
Less: Voids	(14,834)	(205,008)	(219,842)	(224,687)
Total Social Housing Income	499,919	5,551,523	6,051,442	5,940,143
Operating Costs				
Service Costs	-	806,014	806,014	733,968
Service Costs – Covid 19	-	-	-	13,801
Support Costs	-	452,699	452,699	437,241
Support Costs – Covid 19	-	34,536	34,536	33,381
Tenants Support	1259	12,848	14,107	27,425
Management Costs	90369	820,253	910,622	797,055
Rates Payable	53363	433,455	486,818	477,290
Maintenance Administration costs	12270	124,582	136,852	155,633
Planned & Cyclical Maintenance	4909	49,027	53,936	272,586
Reactive Maintenance	57914	588,593	646,507	552,895
Major Repairs (not capitalised)	(700)	139,720	139,020	203,650
Bad Debts Written Off	-	-	-	-
Depreciation of Housing Properties	171450	1,489,216	1,660,666	1,598,118
Other Depreciation	123	10,890	11,013	20,964
Transfer to/(from) Tenants' Services Fund	-	13,793	13,793	47,753
Total Social Housing Expenditure	390,957	4,975,626	5,366,583	5,371,760
Operating surplus/(deficit) on social housing	108,962	575,897	684,859	568,383

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

DfC Allowances	2022		2021
	£		£
Management allowances	32,076		31,680
Management costs	(88,285)		(59,700)
Surplus/ (deficit)	(56,209)		(28,020)
Maintenance allowances	37,584		37,120
Planned and cyclical maintenance	(4,471)		(2,994)
Reactive maintenance	(49,264)		(30,175)
Maintenance administration	(10,479)		(6,756)
Surplus/ (deficit)	(26,630)		(2,805)

Technical & Non-Technical Income

	2022		2021
	£		£
Technical	3,212,609		3,160,560
Non-Technical	2,003,388		1,956,231
Total	5,215,997		5,116,791

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

	2022		2021
	£		£
Operating Income			
Development	92,376		70,808
Management Services	-		-
Other Income	-		-
Total Non-Social Housing Income	92,376		70,808
Operating Costs			
Development Costs	97,376		107,966
Pension charge / (credit)	-		-
Other Costs	-		-
Total Non-Social Housing Expenditure	97,376		107,966
Operating surplus/(deficit) on non-social housing	(5,000)		(37,158)

6. Surplus on ordinary activities

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

	2022		2021
	£		£
Depreciation – owned tangible fixed assets	1,733,626		1,619,082
Amortisation of grant / Release of capital grant	(835,444)		(813,351)
Auditor's remuneration	6,980		6,600
- External audit of these financial statements			
- Internal audit	9,180		8,161

7. Interest payable

	2022		2021
	£		£
Bank overdrafts	-		-
Bank loans	-		-
Other Loans	6,708		12,796
	6,708		12,796

8. Employee information

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

	2022		2021
	No.		No.
Administration	21		19
Housing, support and care	25		26
	46		45
<u>Staff costs</u>	2022		2021
	£		£
Wages and salaries	1,234,679		1,138,103
Social security costs	83,960		79,185
Pension costs	100,603		97,938
	1,419,242		1,315,226

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

	2022		2021
	£		£
Aggregate emoluments	275,935		285,673
Pension Contributions	32,226		33,048
	308,161		318,721

9. Employee information (cont'd)

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

	2022		2021
	£		£
Aggregate emoluments	84,908		78,908
Pension Contributions	14,850		13,770
	99,758		92,678

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

	2022	2021
	No.	No.
95,000- 100,000	1	
90,000 – 95,000		1
50-000 – 55,000	3	1
45,000 – 50,000		2
35,000 – 40,000		2
25,000 – 30,000	1	
15,000 – 20,000	1	
0-5,000	2	
	8	6

10. Board of Management remuneration

There was no remuneration paid to the Board of Management of the Association (2021: £Nil). The Board of Management members were paid out of pocket expenses totalling £nil (2021: £nil).

11. Finance costs

	2022	2021
	£	£
Finance costs	50,504	41,420
	50,504	41,420

12. Tangible fixed assets – Housing properties

	Housing properties held for letting £
Cost or valuation	
At 1 April 2021	55,157,861
Additions	2,143,318
Disposals	189,162
At 31 March 2022	57,112,017
Completed	55,994,093
Work in progress	1,117,924
Depreciation and impairment	
At 1 April 2021	25,123,370
Charge for the year	1,660,666
Impairment charged in year	-
Eliminated on disposal	187,779
At 31 March 2022	26,596,257
Net book value	
At 31 March 2022	30,515,760
At 31 March 2021	30,034,491

13. Housing Stock

Number of units owned and managed at year end

Self-Contained	2022 Properties	2021 Properties
General Needs Housing	81	80
Supported Housing	-	-
Sheltered Housing	894	894
Shared Ownership/ Affordable Housing	-	-
	975	974
Total Units Owned and Managed at year end	975	974

14. Other tangible fixed assets

	Leasehold building	Furniture and equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 April 2021	665,988	403,165	34,399	1,103,552
Additions	-	30,930	-	30,930
Disposals	-	-	-	-
At 31 March 2022	<u>665,988</u>	<u>434,095</u>	<u>34,399</u>	<u>1,134,482</u>
Depreciation				
At 1 April 2021	193,208	322,696	2,150	518,054
Charge for the year	18,567	45,645	8,750	72,962
Eliminated on disposal	-	-	-	-
At 31 March 2022	<u>211,775</u>	<u>368,341</u>	<u>10,900</u>	<u>591,016</u>
Net book value				
At 31 March 2022	<u>454,213</u>	<u>65,754</u>	<u>23,499</u>	<u>543,466</u>
At 31 March 2021	<u>472,780</u>	<u>80,469</u>	<u>32,249</u>	<u>585,498</u>

15. Debtors

	2022	2021
	£	£
Gross rental debtors – Technical	83,859	80,397
Gross rental debtors – Non-Technical	13,810	13,905
Provision for bad debt	(10,528)	(14,093)
Net rental debtors	<u>87,141</u>	<u>80,209</u>
Housing Association Grant receivable	25,641	272,074
Prepayments and accrued income	75,646	64,535
Other debtors	54,423	64,152
	<u>242,851</u>	<u>480,970</u>

16. Creditors

Amounts falling due within 1 year

	2022	2021
	£	£
Loans	30,844	45,443
Housing Association Grant in advance	384,409	919,885
Deferred Housing Association Grant	849,373	813,351
Disposal Proceeds Fund	-	-
Accruals and deferred income	170,576	130,645
Rent and service charges received in advance	154,491	144,606
Tenants' Services Fund	164,315	150,522
Trade Creditors	445,325	579,124
Other creditors	35,257	66,784
	<u>2,234,590</u>	<u>2,850,360</u>

Amounts falling due after more than 1 year

	2022	2021
	£	£
Loans (see analysis below)	22,299	53,143
Deferred Housing Association Grant	19,173,931	19,476,252
	<u>19,196,230</u>	<u>19,529,395</u>

Loans

	2022	2021
	£	£
Within one year	30,844	45,443
Between one and two years	22,299	30,844
Between two and five years	-	22,299
In five years or more	<u>53,143</u>	<u>95,586</u>

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

17. Deferred grant

	2022	2021
	£	£
At 1 April	20,289,603	19,877,221
Grant recognised in the year	569,145	1,225,733
Released to income in the year	(835,444)	(813,351)
At 31 March	<u>20,023,304</u>	<u>20,289,603</u>

18. Capital commitments

At 31 March 2022 the Association had capital commitments as follows:

	2022	2021
	£	£
Contracted for but not provided in the financial statements	934,323	1,698,768
	<u>934,323</u>	<u>1,698,768</u>

19. Contingent Liabilities

The Association released Housing Association Grant to income during the year in accordance with the Housing SORP. The possibility of reimbursement to the Department for Communities is considered to be unlikely as the housing properties are expected to continue to be made available for social housing for the foreseeable future.

20. Share capital

Ordinary shares of £1 each fully paid:

	2022	2021
	£	£
At 1 April 2021	19	20
Issued in the year	-	-
Shares Issued	6	-
Transferred to capital reserve	(5)	(1)
At 31 March 2022	<u>20</u>	<u>19</u>

21. Capital reserves

	2022	2021
	£	£
At 1 April 2021	70	69
Shares Issued	(6)	-
Transferred from share capital	5	1
At 31 March 2022	<u>69</u>	<u>70</u>

22. Related party transactions

There were no related party transactions during the year.