

Reg no. IP 000394

Alpha Housing (Northern Ireland) Ltd

Report and Financial Statements

For the Year Ended 31 March 2023

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Board of Management and Advisers

The Board

Mr J Glass	Chair
Mr K Dempsey	Vice Chair
Ms I Kingston	Secretary
Mr C Logan	
Mr J McConnell	
Mrs R Steenson	
Mr E Sweeney	
Ms J Winters	
Ms G Hobson	(Elected 23 rd February 2023)
Ms E McKernon	(Elected 23 rd February 2023)
Ms L Hagan	(Elected 23 rd February 2023)
Mr D Simpson	(Elected 23 rd February 2023)
Mr E Moore	(Retired 25 th July 2022)
Mr A R McAlister	(Retired 22 nd September 2022)
Mr J P O'Doherty	

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 2023

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

Elliot Duffy Garrett
40 Linenhall Street
Belfast
BT2 8BA

Report of the Board of Management for the year ended 31 March 2023

The Board presents its report and the audited financial statements for the year ended 31 March 2023.

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 core values – 'We Care; We Serve; and We Build'.

Status

Alpha Housing came into operation on 1 July 2009. We were 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). Alpha Housing also has charitable status (number NIC 105339) and is a member of the Northern Ireland Federation of Housing Associations. We are regulated by the Department for Communities as a registered housing association.

Principal activities

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

Our Strategic Priorities to 2025 are to:

- Maintain our homes to a high standard;
- Provide exemplary housing and support services;
- Build beautiful homes;
- Deliver social and environmental change; and
- Run our business effectively.

Governance

Alpha is committed to the highest standards in governance.

During 2022-23, the Department for Communities issued its fourth annual formal regulatory judgements under the revised regulatory framework. This confirmed that for 2021-22, Alpha achieved the highest level of compliance (Level 1) in all areas encompassing governance, financial viability, and service standards.

Under the leadership of the Chair, John Glass, Director of Infrastructure & Projects Delivery at Translink, Alpha is effectively governed and led by an experienced and professional Board.

During 2022-23 four new Board members were appointed: Lorna Hagan, Glynis Hobson, Elizabeth McKernon, and David Simpson. New Board members' expertise encompasses construction; human resources; organisational development; customer service; and social housing management. Board members are benefitting from a wide-ranging training programme and induction visits.

The Board regularly reviews its effectiveness, including through a thorough annual appraisal process, which for this year was supported by Joy Allen and her Leading Governance consultancy.

Through the delivery of the 2022-23 Business Plan and approval of the 2023-24 Business Plan, the refreshed Board continues to progress the implementation of the triennial Corporate Strategy approved by the Board during 2021-22.

Statement of Compliance with Code of Governance

During 2022-23 Alpha continued to comply with the National Housing Federation's Code of Governance (2015) and Code of Conduct (2012). These are widely used by housing associations across the UK and reflect good practice in our sector.

Risk management

Alpha Housing continued to effectively manage and mitigate risk during 2022-23.

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

In September 2022, the Board appointed Stephen Kearney, a Partner in Fitzpatrick and Kearney Chartered Accountants, as Chair of the Audit and Governance Committee. During the financial year the Committee met three times to consider and advise the Senior Management Team and Board on key strategic risks, audit strategy and audit reports.

Five internal audits were carried out by Wylie & Bisset during the year covering Corporate Governance; Housing Allocations; COVID-19: Return to Office; Overall Financial Controls; and Responsive Repairs Procedures. All resulted in the highest 'Satisfactory' rating, with auditors making fewer recommendations to Alpha than is typical for their housing association internal audits in these areas. Much good practice was recorded, and helpful

recommendations were made. In their 2022-23 Annual Report, Wylie & Bisset reported that Alpha has adequate and effective risk management, control and governance processes to manage the achievement of its objectives and has proper arrangements to promote and secure value for money. Overall, the internal auditor reported that a 'Satisfactory' level of assurance is in place.

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

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, housing management performance has continued to be strong. Arrears have been very low, with tenant arrears at 31 March 2023 totalling 0.7% of rental income. Only £504 of past tenant arrears had to be written off during 2022-23, equating to less than 0.1% of rent due.

We continue to re-let our homes in a good time with a total of 140 re-lets completed during 2022-23. This high number equates to 14% of our total stock, due to the increased rate of turnover of homes in sheltered housing. Importantly, emerging further from the pandemic, void levels continued to fall throughout the year to 22 homes, or 2.6% in rental income at 31st March 2023.

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.

From August 2022 we were able to re-introduce the annual 'Time for Tenants' meetings in many of our sheltered schemes, providing scope for us to update residents on general and scheme-specific matters, for maintenance and housing management concerns to be raised, enabling staff to gain a wider understand of the needs of tenants.

From June 2022, the Tenants Committee was able to meet in person for the first time since the pandemic, including the opportunity to meet with the Senior Management Team and Board. During the year, the Tenants Committee agreed a new Terms of Reference to replace the constitution to bring the structure and business of the Tenants Committee in line with best practice. The wider Tenants Forum met in person during February 2023 and was well attended with approximately 50 tenants at the meeting. The Tenants Committee Chair, Chris Craig, presented to the Tenants Forum outlining the Committee's activities during the previous year and summarising tenants' priorities.

During the extensive planned maintenance projects undertaken throughout 2022-23, we sought to fully consult with tenants in the relevant schemes on our intentions and respond to their feedback. For example, tenants were given a choice of colours and finishes for new kitchens when these were being installed.

During January 2023, Alpha completed our third Survey of Tenants and Residents (STAR Survey) capturing tenant satisfaction with the services provided and updating on findings reported during 2019 and 2021. 87% of tenants reported satisfaction with the service provided by Alpha. This was the highest level of satisfaction in 31 social landlords recently surveyed across the UK by leading housing consultancy IFF Research.

Notwithstanding this high level of overall satisfaction, the survey highlighted tenants' continued desire to see further improvements in the day-to-day repairs service and general responsiveness to residents' views and concerns. Alpha continues to monitor these trends and to identify actions to improve tenant experience. A new Measured Term Contract (MTC) became fully operational during 2022-23 and it is expected to help ensure continued improvements in our repairs services.

Tenants have also expressed a desire to see further enhancements of outdoor spaces at our sheltered schemes. This was strongly supported in 2022-23, including through funding for tenant-led gardening initiatives; ad hoc projects to remedy specific problem areas; and larger scale landscaping initiatives. Investment in garden furniture is just one of the ways we are encouraging and supporting residents to get outside, which is increasingly recognised as vital for health and wellbeing. 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 2022-23, a rent increase of 4.8% was applied to decontrolled rents. As a result of the temporary suspension in the 'triple lock' during 2022 this was greater than the 3.1% increase to the state pension applied in April 2022. However, after careful consideration the Board, it was felt that the increase was necessary, given that inflation had risen to 7.0% by March 2022. Also, the previous year's state pension increase had been greater than the rise in rents for that year. The increase was needed to maintain our homes to a high standard for the benefit of current and future tenants.

As a provider of mainly sheltered housing, a major ongoing challenge for Alpha is the sustainability of funding for support services, given the ongoing squeeze on Supporting People funding, which funds most of the costs of our vital scheme co-ordinator and telecare services. The modest cumulative increase in Supporting People funding applied in November 2021 and then April 2022, equating to around 5%, was welcome. However, as the increased funding remained well below the high rate of inflation, overall the Supporting People programme continued to be cut in real terms. Consequently, given the need to retain our vital scheme co-ordinators, the deficit on our support services increased once again to £78K during 2022-23.

Overall, the 4.8% rise in rents, increases in most schemes' service charges, and below inflation increases in support charges, meant that most sheltered tenants' weekly charges increased by an average of 6% in 2022-23. However, given the increase in state pensions applied in April 2022, below inflation rent increases in previous years, and the rise of inflation to 7.0% by March 2022, this rent increase was considered reasonable and necessary by the Board. Also, despite these increases, benchmarking indicated that Alpha's overall weekly charges were comparable to other sheltered housing providers in Northern Ireland.

Of course, value for money is as much about the quality as the cost of services. As already highlighted, there is clearly still scope for improvements in service delivery. However, a range of data, from the recent STAR survey to Supporting People inspection reports and benchmarking, 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. Alpha continues to fully engage in Housemark benchmarking to better understand the strengths and weaknesses of our business and to identify potential areas for improvement. Over 2022-23, we continued to participate in the monthly 'Pulse' Housemark benchmarking, to help assess our relative performance in relation to sector trends in much closer to 'real time'.

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 2022-23.

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. Alpha continued to invest significantly in our homes during 2022-23.

In response maintenance, 5,038 repair orders were completed during 2022-23, equating to 5.1 response repairs per home. Expenditure increased from £647K in 2021-22 to £698k (including repairs relating to services and support), reflecting rises in construction and building costs. Response time performance was reasonably good: 90% of emergency repairs were completed in 24 hours, versus an Alpha target of 90%; and 89% of urgent repairs were completed in 4 working days, versus an Alpha target of 80%. Furthermore, 92% of routine repairs were completed in 20 working days, versus an Alpha target of 80%.

A major programme of planned maintenance was delivered in 2022-23 valued at £1.85M, equivalent to £1,873 per home. Windows and kitchens were replaced at Weir Court, Comber; One Irish Gate, Carrickfergus; Crosby Court, Bangor; Alexander Court, North Belfast; Greenmount, Bangor and Taylor Court; South Belfast. Meanwhile, major redecoration works were completed at Johnson Close and Mooreland Close in Ballymena. Other planned maintenance included extensive fire safety works.

Building new homes

During the year, Alpha's second development of recent years was completed – Clarke House in Broughshane. Delighted new residents moved in from November 2022, and the scheme was opened by former Alpha Chair John Clarke and former Irish rugby international David Humphreys. Developed by Ballymena-based Martin & Hamilton, this exemplar scheme provides 14 apartments built to the HAPPI principles, a blueprint for high-quality housing for older people. The development has since been shortlisted for the Social Housing Project of the Year category of the Construction Employers Federation Awards.

During 2022-23, the construction of fourteen much-needed new homes at Parkhead, Newry, achieved a 'start on site'.

Many potential development opportunities continue to be explored by Alpha's Development Director, James Wright, with several other projects expected to commence during 2023-24 as our newbuild activity steadily grows.

2022-23 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	£6,600,858
Operating costs	£6,072,461
Operating Surplus	£528,397
Total comprehensive income for the year	£496,356

Turnover increased by 7.4% during 2022-23. With operating costs having increased significantly from 2021-22, the operating surplus decreased to £528,397 from £679,859. This is the result of pressures emerging during 2022-23, including the effects of inflation on the cost of energy, construction costs and salaries. Proactive financial management and monitoring ensured that despite these challenges, high-quality services continued to be delivered to tenants while maintaining a robust Operating Surplus.

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

Expected performance in Year Ending 31 March 2023

Turnover is expected to grow by 8.4% to £7.0M due to new schemes, lower voids and rent increases. Expenditure is budgeted to increase by 10% to £6.7M, 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 £281,192 was included in the budget for 2023-24 approved by the Board in February 2023. Alpha is planning for the risks to our financial

performance from continued inflation and wider financial uncertainties. These are monitored on an ongoing basis by the Senior Management Team, with financial forecasts reviewed and adjusted for each month and reported formally to the Board at each meeting.

Alpha will pursue new development opportunities in 2023-24 and is ensuring 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 £1.9M.

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 2023, Alpha had Department for Communities loans outstanding of £22K and cash reserves of £1.9M.

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 we have continued to fund our initial new developments 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.

Alpha Housing (Northern Ireland) Ltd
Year Ended 31 March 2023

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.

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

21 September 2023

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 2023 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 2023 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 2023

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

XX September 2023

Statement of Comprehensive Income

For the year ended 31 March 2023

	Notes	2023 £	2022 £
Turnover	3	6,600,858	6,143,818
Operating costs	3	6,072,461	5,463,959
Operating surplus / (deficit)		528,397	679,859
Gain / (loss) on disposal of fixed assets		-	1,310
Interest payable	7	(2,612)	(6,708)
Interest receivable		20,476	5,510
Finance costs		(49,905)	(50,504)
Surplus / (deficit) before tax		496,356	629,467
Taxation		-	-
Surplus / (deficit) after tax		496,356	629,467
Other comprehensive income		-	-
Unrealised surplus / (deficit) on revaluation of housing properties		-	-
Total comprehensive income for the year		496,356	629,467

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

Statement of Changes in Equity

For the year ended 31 March 2023

	Share Capital	Capital reserve	Revenue reserve	Total
	£	£	£	£
Balance at 1 April 2022	20	69	13,480,266	13,480,355
Surplus / (deficit) for the year			496,356	496,356
Other comprehensive income				-
Transfers between reserves	(2)	2		-
Issue of share capital	4	(4)		-
Balance at 31 March 2023	22	67	13,976,622	13,976,711

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

Statement of Financial Position

As at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Housing properties	12	31,937,841	30,515,760
Other tangible fixed assets	14	571,541	543,466
		32,509,382	31,059,226
Current assets			
Trade and other debtors	15	1,463,252	242,851
Cash and cash equivalents		1,852,649	3,609,098
		3,315,901	3,851,949
Less: Creditors: amounts falling due within one year	16	(2,573,924)	(2,234,590)
Net current assets / liabilities		741,977	1,617,359
Total assets less current liabilities		33,251,359	32,676,585
Creditors: amounts falling due after more than one year	16	(19,274,648)	(19,196,230)
Total net assets		13,976,711	13,480,355
Reserves			
Share capital	19	22	20
Revenue reserve		13,976,622	13,480,266
Capital reserve	20	67	69
Total reserves		13,976,711	13,480,355

These financial statements were approved by the Board of Management and authorised for issue on 21st September 2023 and signed on its behalf by:

Mr John Glass
Chairman

Irene 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 2023

	Notes	2023 £	2022 £
Net cash inflow / outflow from operating activities	A	469,949	1,692,478
Returns on investments and servicing of finance	B	(32,041)	(51,702)
Capital expenditure and financial investment	B	(2,163,514)	(2,115,919)
Cash inflow / outflow before use of liquid resources and financing		(1,725,606)	(475,143)
Financing	B	(30,843)	(45,443)
		(1,756,449)	(520,586)
Reconciliation of net cash flow			
Cash at 1 April 2022		3,609,098	4,129,684
Increase / decrease in cash in period		(1,756,449)	(520,586)
Cash at 31 March 2023		<u>1,852,649</u>	<u>3,609,098</u>

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 2023

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

	2023	2022
	£	£
Operating surplus / deficit	528,397	679,859
Depreciation	1,617,738	1,733,628
Amortisation of grant	(843,533)	(835,444)
Movements in:		
Rent arrears	(7,388)	(6,932)
Other debtors	(760,995)	234,420
Creditors	(64,270)	(113,053)
Net cash inflow / outflow from operating activities	469,949	1,692,478

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

	2023	2022
	£	£
Returns on investment and servicing of finance		
Interest received	20,476	5,510
Bank charges	(52,517)	(57,212)
Net cash inflow / (outflow) for returns on investment and servicing of finance	(32,041)	(51,702)
Capital expenditure and financial investment		
Other fixed assets	(118,456)	-
Housing, land and buildings	(2,718,983)	(2,165,873)
Capital grant received	673,925	48,644
Proceeds from sale of tangible fixed assets	-	1,310
Net cash inflow / (outflow) for capital expenditure and financial investment	2,163,514	(2,115,919)
Financing		
Loan principal repayments	30,843	(45,443)
Net cash inflow / (outflow) from financing	30,843	(45,443)

Notes to Statement of Cash Flows (cont'd)

For the year ended 31 March 2023

C. Analysis of changes in net funds

	At 01/04/22 £	Cashflows £	Other Changes £	At 31/03/23 £
Cash in hand and at bank	3,609,098	(1,756,449)	-	1,852,649
Bank Loans	(53,143)	(30,843)	-	(22,300)
	<u>3,555,955</u>	<u>(1,787,292)</u>	<u>-</u>	<u>1,830,349</u>

Notes to the financial statements

1. Legal status

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

2. Accounting Policies

2.1 Basis of accounting

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

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

2.2 Revenue recognition

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

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

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

2.3 Government and other grants

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

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

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

2.4 Tangible fixed assets

Housing properties

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

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

Depreciation of Housing properties

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

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

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

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

	Operating Turnover	2023 £ Operating Costs	Operating Surplus/ (deficit)	2022 £ Operating Surplus/ (deficit)
Social Housing Activities (Note 4)	6,424,385	5,835,047	589,338	684,859
Non-Social Housing Activities (Note 5)	176,473	237,414	(60,941)	(5,000)
	6,600,858	6,072,461	528,397	679,859

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

	2023 £			2022 £
	General	Sheltered	Total	Total
Operating Income				
Rent Receivable	415,706	3,352,424	3,768,130	3,565,598
Service Charges Receivable	19,411	931,685	951,096	836,023
Rates Receivable	55,655	446,460	502,115	488,700
Support Charges Receivable - Supporting People	-	298,508	298,508	278,492
Support Charges Receivable - Tenants	-	148,031	148,031	123,649
Direct Emergency Funding - Covid 19	-	2,289	2,289	143,376
Income from SHG/HAG	64,615	737,298	801,913	792,359
Income from Other Grants	1,669	97,681	99,350	43,087
Less: Voids	(8,736)	(138,311)	(147,047)	(219,842)
Total Social Housing Income	548,320	5,876,065	6,424,385	6,051,442
Operating Costs				
Service Costs	15,527	1,016,271	1,031,798	806,014
Service Costs - Covid 19	-	-	-	-
Support Costs	-	508,794	508,794	452,699
Support Costs - Covid 19	-	7,227	7,227	34,536
Tenants Support	44	16,059	16,103	14,107
Management Costs	91,063	926,574	1,017,637	910,622
Rates Payable	55,655	449,899	505,554	486,818
Maintenance Administration costs	12,021	176,694	188,715	136,852
Planned & Cyclical Maintenance	8,515	341,520	350,035	53,936
Reactive Maintenance	54,142	644,409	698,551	646,507
Major Repairs (not capitalised)	5,378	71,700	77,078	139,020
Bad Debts Written Off	-	-	-	-
Depreciation of Housing Properties	153,498	1,373,859	1,527,357	1,660,666
Other Depreciation	56	13,709	13,765	11,013
Transfer to/(from) Tenants' Services Fund	(3,327)	(104,240)	(107,567)	13,793
Total Social Housing Expenditure	392,572	5,442,475	5,835,047	5,366,583
Operating surplus/(deficit) on social housing	155,748	433,590	589,338	684,859

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

DfC Allowances	2023	2022
	£	£
Management allowances	34,056	32,076
Management costs	(91,063)	(88,285)
Surplus/ (deficit)	(57,007)	(56,209)
Maintenance allowances	39,904	37,584
Planned and cyclical maintenance	(8,515)	(4,471)
Reactive maintenance	(54,142)	(49,264)
Maintenance administration	(12,021)	(10,479)
Surplus/ (deficit)	(34,774)	(26,630)

Technical & Non-Technical Income

	2023	2022
	£	£
Technical	3,498,295	3,212,609
Non-Technical	2,024,828	2,003,388
Total	5,523,123	5,215,997

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

	2023	2022
	£	£
Operating Income		
Development	176,473	92,376
Management Services	-	-
Other Income	-	-
Total Non-Social Housing Income	176,473	92,376
Operating Costs		
Development Costs	237,414	97,376
Pension charge / (credit)	-	-
Other Costs	-	-
Total Non-Social Housing Expenditure	237,414	97,376
Operating surplus/(deficit) on non-social housing	(60,941)	(5,000)

6. Surplus on ordinary activities

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

	2023	2022
	£	£
Depreciation – owned tangible fixed assets	1,617,738	1,733,626
Amortisation of grant / Release of capital grant	(843,533)	(835,444)
Auditor's remuneration	14,400	6,980
- External audit of these financial statements		
- Internal audit	10,710	9,180

7. Interest payable

	2023	2022
	£	£
Bank overdrafts	-	-
Bank loans	-	-
Other Loans	2,612	6,708
Total	2,612	6,708

8. Employee information

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

	2023	2022
	No.	No.
Administration	19	21
Housing, support and care	26	25
Total	45	46

<u>Staff costs</u>	2023	2022
	£	£
Wages and salaries	1,451,635	1,234,679
Social security costs	108,684	83,960
Pension costs	121,136	100,603
Total	1,681,455	1,419,242

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

	2023	2022
	£	£
Aggregate emoluments	369,152	275,935
Pension Contributions	39,952	32,226
Total	409,104	308,161

9. Employee information (cont'd)

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

	2023	2022
	£	£
Aggregate emoluments	90,151	84,908
Pension Contributions	15,802	14,850
	<u>105,953</u>	<u>99,758</u>

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).

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

	2023	2022
	No.	No.
100,000-105,000	1	
95,000- 100,000		1
75,000 – 80,000	1	
60,000 – 65,000	1	
55,000 – 60,000	1	
50-000 – 55,000	1	3
45,000 – 50,000	1	
25,000 – 30,000		1
15,000 – 20,000		1
5,000 – 10,000	1	
0-5,000		2
Total	<u>7</u>	<u>8</u>

11. Finance costs

	2023	2022
	£	£
Finance costs	49,905	50,504
	<u>49,905</u>	<u>50,504</u>

12. Tangible fixed assets – Housing properties

	Housing properties held for letting £
Cost or valuation	
At 1 April 2022	57,112,017
Additions	2,949,438
Disposals	(389,882)
At 31 March 2023	59,671,573
Completed	59,349,464
Work in progress	322,109
Depreciation and impairment	
At 1 April 2022	26,596,257
Charge for the year	1,527,357
Impairment charged in year	
Eliminated on disposal	(389,882)
At 31 March 2023	27,733,732
Net book value	
At 31 March 2023	31,937,841
At 31 March 2022	30,515,760

13. Housing Stock

Number of units owned and managed at year end

Self-Contained	2023 Properties	2022 Properties (Restated)
General Needs Housing	86	86
Supported Housing		-
Sheltered Housing	896	882
Shared Ownership/ Affordable Housing		-
	982	968
Total Units Owned and Managed at year end	982	968

14. Other tangible fixed assets

	Leasehold building	Furniture and equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 April 2022	665,988	434,095	34,399	1,134,482
Additions		74,071	44,385	118,456
Disposals				
At 31 March 2023	<u>665,988</u>	<u>508,166</u>	<u>78,784</u>	<u>1,252,938</u>
Depreciation				
At 1 April 2022	211,775	368,341	10,900	591,016
Charge for the year	18,567	51,968	19,846	90,381
Eliminated on disposal	-	-	-	-
At 31 March 2023	<u>230,342</u>	<u>420,309</u>	<u>30,746</u>	<u>681,397</u>
Net book value				
At 31 March 2023	<u>435,646</u>	<u>87,857</u>	<u>48,038</u>	<u>571,541</u>
At 31 March 2022	<u>454,213</u>	<u>65,754</u>	<u>23,499</u>	<u>543,466</u>

15. Debtors

	2023	2022
	£	£
Gross rental debtors – Technical	91,019	83,859
Gross rental debtors – Non-Technical	14,038	13,810
Provision for bad debt	(10,197)	(10,528)
Net rental debtors	<u>94,860</u>	<u>87,141</u>
Housing Association Grant receivable	1,085,977	25,641
Prepayments and accrued income	212,876	75,646
Other debtors	69,539	54,423
	<u>1,463,252</u>	<u>242,851</u>

16. Creditors

Amounts falling due within 1 year

	2023	2022
	£	£
Loans	22,300	30,844
Housing Association Grant in advance	780,604	384,409
Deferred Housing Association Grant	858,768	849,373
Disposal Proceeds Fund	-	-
Accruals and deferred income	372,294	170,576
Rent and service charges received in advance	45,105	154,491
Tenants' Services Fund	56,747	164,315
Trade Creditors	381,980	445,325
Other creditors	56,126	35,257
Total	<u>2,573,924</u>	<u>2,234,590</u>

Amounts falling due after more than 1 year

	2023	2022
	£	£
Loans (see analysis below)	-	22,299
Deferred Housing Association Grant	<u>19,274,648</u>	<u>19,173,931</u>
	<u>19,274,648</u>	<u>19,196,230</u>

Loans

	2023	2022
	£	£
Within one year	22,300	30,844
Between one and two years	-	22,299
Between two and five years	-	-
In five years or more	-	-
	<u>22,300</u>	<u>53,143</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

	2023	2022
	£	£
At 1 April	20,023,304	20,289,603
Grant recognised in the year	953,649	569,145
Released to income in the year	(843,553)	(835,444)
At 31 March	<u>20,133,400</u>	<u>20,023,304</u>

18. Capital commitments

At 31 March 2023 the Association had capital commitments as follows:

	2023	2022
	£	£
Contracted for but not provided in the financial statements	1,827,500	934,323
	<u>1,827,500</u>	<u>934,323</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:

	2023	2022
	£	£
At 1 April 2022	20	19
Issued in the year		
Shares Issued	4	6
Transferred to capital reserve	(2)	(5)
At 31 March 2023	<u>22</u>	<u>20</u>

21. Capital reserves

	2023	2022
	£	£
At 1 April 2022	69	70
Shares Issued	(4)	(6)
Transferred from share capital	2	5
At 31 March 2023	<u>67</u>	<u>69</u>

22. Related party transactions

There were no related party transactions during the year.