

Radius Housing Association Limited
Annual Statement of Accounts
for the year ended 31 March 2023

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Board of Management and advisers

Board of Management

Mr M Pitt FCA, MAcc, BSc Hons [Chair]
Mrs L Campbell MBE BA (Hons), DIPL, PGIDg [Vice Chair]
Mr C Diamond BSc (Hons) (Resigned 28 June 2022)
Mr C Doherty BSc (Hons), MSc, MRICS
Mr S Dolan BSc (Hons), PhD, IPFA (rtd)
Mr R Dunne FIB BA (Hons) MA MSSc MBA (Resigned 8 November 2022)
Mrs M English LLB, CPLS (Resigned 28 June 2022)
Dr S Harper MB, BCh, BAO, DRCOG, DCH, MRCGP, MPA
Mr P McGuinness FCCA, CTA [Treasurer]
Mr D Quinn MEng MIOd
Mr N Quinn FCA BSc MSc (Appointed 28 June 2022)
Ms M Smith [Tenant Board Representative]
Mr J Taggart MRICS RICS
Mrs H Walker BSc, DIPL, MSc, PGDIP

Independent Members of Radius Homes Limited

Mr D Neill MRICS, DIPL PM (RCIS) rtd

Independent Members of Tealstone Developments Limited

Mrs M English LLB, CPLS (Appointed 28 June 2022)
Mr I Lees FCA
Mr D Neill MRICS, DIPL PM (RCIS) rtd

Chief Executive and Company Secretary

Mr J McLean OBE B.Eng. MSc DipM MBA CEng, MIEI

Registered office

3 – 7 Redburn Square
Holywood
County Down
BT18 9HZ

Bankers

Danske Bank Limited
Donegall Square West
Belfast
BT1 6JS

Solicitors

Wilson Nesbitt
33 Hamilton Road
Bangor
BT20 4LF

Independent Auditors

Grant Thornton (NI) LLP
Chartered Accountants and Statutory Auditors
12 – 15 Donegall Square West
Belfast
BT1 6JH

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 - No IP169
Registered under the Housing (NI) Order 1992 - No R1
Registered under the Charities Act (NI) 2008 – No NIC102575
Registered with the Fair Employment Commission No 499

Strategic report of the Board of Management for the year ended 31 March 2023

Governance

The Board of Management present their strategic report and the audited financial statements for the year ended 31 March 2023 of Radius Housing Association Limited (the “Association”) and its subsidiaries Radius Homes Limited and Tealstone Developments Limited (the “Group”).

Corporate Plan 2022/23 to 2026/27

Radius launched its latest Corporate Plan in 2022/23 following extensive engagement with customers and key stakeholders. We reviewed our operating environment together with business risks and opportunities, realigning our strategy and priorities for now and into the future. The need to be resilient, agile and creative has seldom been greater as housing associations are evolving beyond their traditional landlord roles to support tenants and communities and enable both to thrive. We developed ‘golden threads’ running through our plans, connecting aspirations and outcomes to key inputs such as staff and stock development, asset and systems investment and tenant engagement.

Purpose: Radius’s purpose is :

To improve lives and communities through our homes, care and support

Vision: Our vision is :

To provide homes that build a better place for all

Values: Our values place our customers at the centre of our organisation:

Radius Value	Value Explained
<i>Making a difference daily</i>	Every day our staff, Board and partners aim to improve people’s lives through hard work, creativity & collaboration.
<i>Positively open</i>	We are solutions focussed, open & transparent, acting ethically, consistently & with integrity.
<i>Driving sustainable progress</i>	We lead in the creation of carefully considered and robust solutions which will stand the test of time.
<i>Together as one</i>	In partnership we are stronger together, taking joint ownership & responsibility and sharing in success.

Objects: Radius was formed for the benefit of the community. Its objectives are to carry on for the benefit of the community:

- The business of providing housing, accommodation, assistance to help house people and associated facilities and amenities for the preventions or relief of poverty or for those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage;
- Any other charitable object that can be carried out by an Industrial and Provident Society, and Northern Ireland charity registered as a Housing Association by the Department.

Enablers: We meet our objects by:

- Developing new social and affordable housing in response to housing need.
- Managing social housing stock throughout Northern Ireland.
- Providing care and housing support for vulnerable people across a wide range of complex needs.
- Partnering statutory, voluntary and community organisations to sustain tenancies in the face of rising incidents of dementia, learning disabilities, homelessness, alcohol and substance abuse and other complex needs.
- Engaging with our tenants, residents and customers in the provision of our services.
- Providing security and support to people in their homes through assistive technology under our Connect24 services, floating support, our home adaptations (Staying Put) and Daycare Services and
- Engaging in non-charitable business activities which help fund and further our objectives.

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

Golden Threads: Through our corporate plan we identified 4 strategic priorities or ‘golden threads’ relating to our customer, homes, our staff and an assured Radius business:

Radius Strategic Theme	Theme Defined	Golden Thread
<i>Providing the best possible services with our partners for the benefit of our customers</i>	Where our customers experience the best possible services whether it is from a Radius employee or one of our valued delivery partners.	Customer First
<i>Build and maintain safe & sustainable homes within thriving communities</i>	Building and maintaining all our homes to the safest and greenest viable standards set within well-planned & welcoming communities.	Great Places
<i>Great and agile places for our staff to develop, innovate and collaborate</i>	Our people through our values, empowered by agile and flexible working, enabled by the latest technology, stronger through training and partnership working, helping and supporting more people.	Empowered People
<i>Being compliant, resilient, vigilant and innovative</i>	Upholding good governance and trust, anticipating risks as we remain financially sound while all the time looking for and adopting new and better methods.	Assured Business

Governance

Radius Board of Management: The responsibility for the general policy, management and operation of Radius rests with a voluntary and unremunerated committee known as the Board. Day to day management is delegated to the Chief Executive and six directors.

Group Structure: Radius Housing Association Limited provides housing, care and support to communities in N. Ireland and is the controlling member of the Group.

Radius Homes Limited provides property development services to assist the Association in delivering its social housing development programme.

Tealstone Developments Limited provides investment opportunities outside of the objects of the Association which are expected to deliver a profitable return on investment, to be reimbursed to the Association.

Refer to note 18 for details of Radius Housing Association Limited investments in subsidiary undertakings.

Status: Radius Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP 169) and is a Registered Housing Association. The Association is a registered charity under the Charities Act (NI) 2008 (Charity No. NIC102575).

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

Business Overview for 2022/23

As we progressed beyond the pandemic so our services returned to normal in almost all settings. The exception has been in housing-with-care schemes where a number of Covid safety procedures are still in place to protect our most vulnerable residents. This is pending a review by the N. Ireland Public Health Authority. We have embraced hybrid and flexible working and have embedded policies, procedures and systems which are not only supporting better customer services but enabling staff to achieve a healthier work life balance.

As with other regions of the UK and the wider economy, we have experienced challenges in recruiting skilled and experienced staff. Cost of living pressures and rising wage demands have created further pressures for our business. Meanwhile, our tenants are having to cope with a widening gap between household income and the day-to-day cost of food, fuel and energy. Tenders for our contracting, maintenance and design activities have consistently returned price increases, some as high as 40%, reflecting supply chain trends elsewhere in the UK. In these challenging times we have worked closely to support our contracting partners maintaining service levels and progressing building sites.

Radius has in place a broad range of tenancy sustainability interventions helping our most vulnerable tenants. We have extended our service charge convergence plans and discounted the full heating charge for sheltered tenants. These measures have helped to shield our tenants from the full extent of the harsh economic headwind at this time.

We remain committed to investing in our existing stock and providing the best possible customer services for our tenants and residents. We are building more sustainable homes within shared and inclusive communities. Our Development Team showed great tenacity and creativity as we progressed several complex new-build projects through planning, tendering and the requisite departmental approvals. This while delivering a healthy programme of completed new homes. The team also managed to progress several signature projects in readiness for the 2023/24 development programme. It remains to be seen how government budget cuts in the incoming year may impact on the overall social housing capital programme and those services which depend on revenue funding.

In this our first year of our latest corporate planning cycle, we set about developing our new corporate plan for the next five years, 2022/23 to 2026/27. We engaged with tenants, staff, business partners and other key stakeholders to ensure we were focusing on the key priorities in the face of the evolving and increasingly challenging business environment. We are confident that with the creativity and resilience of our people and our planned investments we will continue to improve lives and communities through our homes, care and support.

Radius Business in detail

Development & Property Services

During the year we commenced on site 430 new sustainable homes. This while completing a further 189 new social rented homes on sites across Northern Ireland for handover to tenants. We also advanced a number of signature projects which will be capable of delivering 3-400 potential new-start homes in 2023/24. The actual outturn will be dependent on available capital funding from the government following its budget determination in May 2023. Meanwhile, our first private development project via our private subsidiary, Tealstone Developments, progressed to the point of submission for planning. At year end, Radius had over 700 new homes under construction on sites across Northern Ireland.

The progress and performance of some builders and contractors has unfortunately been impacted by labour shortages, delivery delays and rising prices. In some cases completion of new homes have been delayed by as much as 12 months. Whilst in other cases some framework contractors have decided to exit their arrangements with us. We remain committed to working with all our partners on practical and reasonable solutions which not only support them in these challenging times but which protect the interests of our customers and our business.

Housing and Community Investment

The Radius Communities team continues to focus on achieving elevated levels of performance in housing management. We seek to enable our tenants to sustain their tenancies while maximising rental income and occupancy levels across our 13,500 homes. With demand at record levels we seek to turnaround properties as efficiently as possible. Our arrears and voids performance outturn for general needs and sheltered housing at 4.4% and 3.7% respectively, down from 7.6% and up from 2.8% in 2022. We have deliberately grouped batches of void properties for dampness remediation and decanting purposes in 2023/24. For supported housing, voids rose to 4.5% from 4.1% due to continued restrictions following the pandemic. Supported housing arrears rose to 6% in the same period. Our anti-social behavioral resolution rate was within target, while 90% of complaint responses were completed within 20 days, up from 86% in 2021/22. Meanwhile the time to relet properties stood at 33 days, outside of our 25 day target and we are working hard with contractors to bring this back into line.

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

Enhanced Customer Insight

At Radius we are keen to know what matters to our customers. Our tenant engagement programme is shaping and enhancing core services with service users helping to design and specify targets for contractors. In 2021/22 we became the first local housing association to submit to the Supporting Communities Tenant Participation Accreditation for which we received a silver award.

Our most recent Tenant Survey provided valued feedback on our homes, staff and services, including:

- 85% felt Radius treats its customers fairly.
- 85% stated that they trusted Radius Housing Association.
- 90% believe Radius has friendly and approachable staff.
- 84% felt their rent represented value for money and
- Of the 65% who received a repair, 77% were satisfied with the service.

And our most recent Societal Index Survey which informs future strategies and investments for general needs tenants confirmed:

- 39% only have enough money for essentials, 28% run out of money before the month-end.
- 53% rate health and well-being support as a priority followed by 42% for advice on benefits entitlement.
- 23% do not have an email address while 46% are confident in using digital services.
- 86% would like to see more sustainable homes but only 43% would pay higher rent to live in one and
- 51% do not use public transport while 46% of households have at least one car.

Tenants are represented on our Board, in our Communities Committee, on our Tenant Executive and through scrutiny panels and focus groups. They inform new procurements, contractor management procedures and sit on recruitment panels for board and management appointments. 2023/24 promises to be busy for tenants as we recruit a new Tenant Executive and introduce additional service-user focus groups.

Community Investment & Shared Futures

Our community investment teams work closely with business and community groups supporting tenants through a variety of interventions. Our community investment highlights during 2022/23 were:

- Our Benefits Officers identified around £1m of additional income entitlement for tenants.
- We launched Radius's Tenant Engagement Strategy and Action Plan.
- Our 3 Service Improvement Groups reviewed: Complaints, ASB and MTC Contracts for heating and repairs, giving rise to 14 strategic outcomes and benefits.
- We facilitated 260 community events, programmes and projects across Northern Ireland, working with 110 statutory and community partner organisations, with 10,000 registered attendances.
- We launched our Digital Inclusion Strategy and Guidebook.
- 180 delegates attended our Radius Tenant Conference in October 2022.
- Our Northwest Hub was formally re-opened in August 2022 with a community information and fun day after a two year closure due to covid. Over 100 people attended the event, and the Hub has seen an increasing number of users month on month.
- Our £20,000 Community Chest Fund enabled 30 groups to deliver projects within Radius Communities.
- We loaned out 40 tablet computers on awareness sessions and to help tenants attend virtual focus group meetings.
- 16 of our tenants and staff took part in digital champion training with the Barclays Digital Eagles programme.
- We partnered Ability Net, so our tenants could receive 1:1 digital training.
- We established our Sustainability Group with staff, tenants and Joint Management Partners.
- We held our Verbal Wellbeing Programme: A 12 week storytelling programme to promote inclusion and address loneliness and anxiety run out in 18 independent living schemes, with 131 participants and 130 storytelling sessions.
- We had 50 Estate Walkabouts with staff meeting tenants and community representatives on local issues.

Our Community Investment Team, working in tandem with tenants, community groups, government agencies and a whole host of stakeholders, are helping to build resilient, respectful and engaged neighbourhoods. We have exciting plans for 2023/24 for a Radius Foundation, to help extend the reach of our programmes even further.

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

We are committed to enhancing respect, cultural awareness and resilience within our communities with our staff and community partners engaged in a diverse range of activities part-funded by the government's Together Building United Communities Fund. In 2022/23 we had many highlights under the themes of:

- **Beauty is Our Business:** 32 participants achieved 70 professional beauty accreditations with 20 receiving OCN level 3's. A further 12 completed Driving Theory courses. Our tenants were supported by GEMS NI, the East Belfast Mission, Utopia Learning and Capital Hair & Beauty.
- **Do Something Healthy (DSH):** 72 participants achieved 120 OCN accreditations. They were aided by Partnership with Boys & Girls Club NI, which supported our tenants in 5 Shared Housing Areas across N. Ireland.
- **Soccer Academy – Street Soccer:** 134 participants with 43 achieving IFA Level 1 Coaching Awards; 46 achieving OCN accreditations in Disability Awareness in Youth Work; and 30 achieving Introduction Certificate for Refereeing.
- **Schools Biodiversity Project:** 23 schools participated, providing 607 pupils from across N. Ireland in our partnership with Keep Northern Ireland Beautiful. This through the universal language of biodiversity while promoting Good Relations and inclusivity in and between schools.
- **RESPECT Programme:** We worked with 16 schools, providing 480 pupils with education on the consequences of crime and anti-social behaviour whilst promoting health and safety, well-being and good relations within communities. They were aided by the Children's Safety Education Foundation.
- **Knock Knock – Ballymena Schools Project:** 12 primary schools worked with 3 Independent Living schemes for older people. Together they created a book about "Home", celebrating diversity and culture. The project won the CIH Promoting Shared Communities Award 2022.
- **Messines Project:** We had 17 participants with 14 achieving OCN level II's in Conflict Resolution which focused on addressing their differences through a shared history of World War II.
- **Community Development:** We had 18 participants complete OCN Level I's in Community Development.

Care and Support

We manage 1,199 supported housing tenants and residents through a blend of directly managed and partner schemes. We have an extensive list of partners including: the Salvation Army; De Paul; the Simon Community; Extern; MACS; Praxis; First Housing Aid and Support Services; WHSCT and BHSCT. Our partners provide expert care and support some of the most vulnerable and marginalised people in society. Client groups include the homeless, young and older people with learning disabilities, people with dementia and those dealing with alcohol and substance dependency. Radius provides a landlord service to our partners in these settings.

Within our directly managed housing-with-care schemes we seek to maximise independence and to ensure residents participate as much as possible in local community activities. We are grateful for the continuous help of businesses and volunteers who either directly or through funding, support lunch clubs, outings and a range of stimulation and entertainment activities for our residents and tenants. These include donated meals and food; memory cafes; chair aerobics; intergenerational events; shopping, theatre and concert outings; flower arranging; crafts and artwork; poetry and history events. For the second year running a Radius residential scheme has topped the local polls with our Loughview Housing-with-care scheme voted 2023 Residential Care Home of the Year at the NI Nursing Care Awards.

Radius's housing with care schemes continued to receive positive inspection reports from the Regulation and Quality Improvement Authority (RQIA) throughout 2022/23. Staff within our directly managed schemes provided the best possible care, support and reassurance to our residents. Where it was safe to do so we facilitated regular family visits and zoom calls within the directly managed schemes. A number of controls introduced at the time of the pandemic have been retained but are expected to be lifted in mid-2023. The housing-with-care sector as with many sections of the economy, is facing a skills shortage and this has contributed to rising agency costs. In recent months, new approaches to advertising and recruitment have been bearing fruit.

Staying Put Service

Radius's Staying Put service provides invaluable assistance for people applying to the NI Housing Executive's Disability Facility Grant (DFG) Scheme for home adaptations. Our team helps applicants navigate the process and assists with the procurement of design services, building control applications and building works. Applications to the service began to increase in late 2022 as the pandemic eased. However, some applicants for DFG's have cited difficulties in procuring contractors and getting them to hold their prices amidst the rising labour and material costs seen elsewhere. We are concerned that the DFG Scheme may be particularly impacted by possible NI Government budget cuts in 2023/24 and have made representations on behalf of those likely to be affected. In 2022/23 we received 478 new enquiries and 311 approvals from the NI Housing Executive. A total of 239 grant aided adaptations and improvements were completed in the same period.

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

Radius Connect24

Radius's Connect24 business provides telecare and telehealth support services enabling many older and vulnerable people and those with chronic illnesses to maximise their independence. Connect24 has led the way in the UK and Ireland in developing a connected health offering with a full triage capability supported by an inhouse nursing resource.

Connect24's overall connections were marginally up at year end, close to 20,000, at 2% above our growth target. This includes 3,168 patients across the Health and Social Care Trusts in Northern Ireland and Republic of Ireland for remote telemonitoring. At the conclusion of the 2022/23 year 94.5% of calls were being responded to within 60 seconds. The team also successfully renewed their ISO27001 and ISO20000 quality standards as certified by Exova BM Trada. Radius Connect24 is monitored and annually assessed by the Telecare Service Users Association (TSA).

Our Connect24 team have been upgrading their telephony monitoring platform through 2022/23 as we prepare to adopt the new BT Aura telephony system. We have also been trialing analogue-digital changeover solutions in advance of the 'analogue switch-off' date in 2025. This while exploring how new technologies such as Alcuris's Memo Hub and the Pacsana Bracelet, can help people live more independently and reduce pressures on Health and Social Care services.

Customer Service Centre (CSC)

We launched our CSC two years ago and were particularly pleased to see advancements in staffing and performance through 2022/23. Our intention is that the CSC and our call agents have the capability to field enquiries through a variety of channels, i.e. telephone, email, social media, etc. and eventually be able to respond to 80% of them at first point of contact. In parallel we are modernising our CRM and housing management systems and the enabling processes which will enhance our customer experience. In 2023 we have engaged a telephony expert to lead a review into the progress and learnings to date and to help shape the next phase of development of the centre.

Radius Staff

Our success and achievements are mainly down to the professionalism and dedication of our staff who have a high regard for customer service, comfort and safety. In the early days of the pandemic we were grateful for the flexibility and resilience shown by staff working in the front line within supported schemes and from home.

Office based staff embraced flexible and hybrid working patterns and enjoyed access to core operating systems over secure digital platforms. In 2022/23 we introduced hybrid working policies which enabled us to retain the positive aspects of home-working and more family-friendly working arrangements. At the same time we found our customers were pleased with our overall service. We continued with our annual pulse survey of staff for the third year running to capture their views on home working during the pandemic. We also carried out a series of mystery shopping surveys to ensure customer service standards were being maintained. Our staff pulse survey was consistent with the previous 2 years and confirms high levels of support and communication from management and Radius:

- 85% were at least in weekly contact with their line manager
- 93% felt connected to their colleagues and part of a team
- 83% were clear about their job requirements in a home setting
- 70% felt Radius's level of communication was excellent with no improvement needed.
- 78% had access to the information from home needed for them to do their work.

The HR and Corporate Services team provided extra guidance on homeworking, mental wellbeing and other support initiatives to staff throughout the year. Our Mental Health Strategy launched in 2022 is supporting staff amidst the transition to hybrid and flexible working. Highlights include:

- 23 Mental Health First Aiders
- Staff health cash back programme via Health Shield
- 24/7 Counselling via the Belfast Health and Social Care Trust
- Weekly occupational health nurse clinic with employee health checks
- Relaunch of Radius's 'Our Place' intranet site with advice and health tools

Sickness and absence levels for the year finished on 3.3% up from 3% in 2022. Staff turnover was unchanged at 14% across the year, below our peers in the Housing and Care Sector. Recruitment continues to be challenging, reflecting the national skills shortage. However our new recruitment methods are increasing applicants with some long-term vacancies now being filled.

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

Our transformational team progressed key change and modernisation projects aimed at enhancing our customer experience. These are centered around new head offices, new computer management systems, an improved CRM system and a multi-channel customer portal. The team developed resources and guidance to aid SMARTER working practices and to support staff working remotely. We expect work on our new offices to commence in early summer 2023 and to complete by the end of 2025.

The Senior Management Team is 71% female and 29% male. Radius has 843 employees of which 18% are male and 82% are female. Regarding the Radius Board, 27% are female and 73% male. 47% are under 61 years and 53% above. We invest around £300k each year in the training and development of staff. Applications for employment by disabled persons are always considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every practical effort will be made to ensure that their employment with the Association continues and the appropriate training is arranged. It is the policy of Radius that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. An Equality Commission FEC Return was presented during the year.

In 2022/23 the Department for Communities published their regulatory judgement for Radius following the 2021/22 Regulatory Return. We are pleased to confirm that Radius was adjudged as continuing to meet the regulatory standards for governance, finance and consumer standards. Moody's completed its annual credit rating re-assessment of our organisation and reconfirmed our A1 Rating. This leaves Radius as one of the few remaining UK housing associations at Moody's highest credit rating level for housing providers. This together with our positive Environmental, Social and Governance (ESG) assessment against the UK's Sustainability Reporting Standard positions Radius in a favorable light for additional private funding as we prepare for our next private placement in 2024.

Radius is a member of the UK Housing Association benchmarking club, Housemark and undertakes regular peer reviews to help identify areas for improved performance, efficiencies and raised productivity. We retained our Customer Service Excellence quality mark during the year while our Development, Assets, Staying Put and Corporate Services departments were reaccredited to ISO9001. IT services also retained their ISO20000 and ISO27001 accreditations.

We received 152 complaints across its customer base of around 33,000 direct service users, down 16% from the previous year. Of these, 80 (46%) were upheld and 92% were responded to within our targeted response time. The principal areas of dissatisfaction related to delayed repairs and perceived lower quality of service than was expected. We will continue to reflect on the learnings from complaints and seek to improve our business by shaping our policies, procedures and staff training programmes accordingly.

Radius's Health, Safety, Risk and Insurance Group continue to closely monitor safety across the association. This is backed up by mandatory health and safety courses, rolled out under Radius's Corporate Training Plan. They met throughout the year to review safety and assess risk. Covid risk assessments were undertaken in the various work settings in response to the evolving guidelines from the Public Health Authority. In 2022/23 we recorded one incident under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013. Radius's Assets team oversee compliance inspections covering: gas system servicing and inspection; legionella inspections, asbestos management, fire risk assessments and other compliance areas. It has been challenging to gain entry into all homes to conduct essential inspections and tests of gas boilers and perform other safety checks. At year-end we had 14 properties overdue a gas-boiler inspection. This despite many efforts to engage the tenants and to warn of our intention to disconnect and in some cases even to take legal action.

We operate a robust GDPR monitoring and improvement function within our business. Over 900 staff have received mandatory training on GDPR. System security and penetration tests were carried out during the year with findings being reported to the Board. The security checks and controls take into consideration home-working arrangements and continue to be upgraded in line with an ever-changing fraud and cyber-crime risks.

We continued our commitment to developing staff, contributing to society and protecting the environment through our CSR Action Plan. Our charity partner, Air Ambulance NI completed its first year term with us during which time £32,000 was raised by staff, business partners and tenants. The fundraising activities have given tenant communities an added incentive to come together across a variety of events. We are aiming to help them raise £70,000 over the 2 years of their charity term with us.

Energy Savings and ESG

Over the last year we saw energy and fuel prices continue to rise leading to financial hardship for our tenants and staff. The Board took the decision not to pass on the full cost of heating within those sheltered housing schemes operating communal boilers. This together with a subsidy on service charges helped to shield our tenants from the full extent of the cost-of-living increase. These savings of approximately £2m combined with further assistance in the form of Radius's Community Chest and our Tenant Hardship Fund, helped our most vulnerable customers to sustain their tenancies. Prices are unfortunately expected to only marginally reduce in 2023/24.

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

For the first time in 2022/23 we assessed the Radius organisation under the UK’s Sustainability Reporting Standard. We are delighted to be able to draw out the excellent work by staff, tenants, Board and partners throughout Radius in championing justice, celebrating diversity and promoting biodiversity. This as part of our ‘Radius Sustainable Way’ – a 9 themed action plan aimed at strengthening our resolve on matters which improve the environment and society while upholding good governance. Radius’s homes have an average EPC score of 75 which is significantly above the Northern Ireland residential average of 60. 84% of Radius’s housing stock is rated at EPC Level C and above. We have committed to investing £25m over the next 5 years in our older homes as we aim to eliminate dampness due to rising and penetrative damp. It is unfortunately the case that incidents of condensation and mould growth are presenting with increased regularity as tenants struggle to adequately heat and ventilate their homes. We are working closely with tenants to raise awareness of measures to reduce this problem, while our contractors perform remediation works.

We are designing new build projects to EPC Level-A while focusing on the regeneration of brownfield sites. A sizeable proportion of our housing stock has been fitted with solar panels including over 100 sheltered and supported housing schemes and is delivering over 700,000KWh’s per.annum The energy savings are passed directly to older tenants and help to reduce fuel poverty. Further Photovoltaic (PV) panels have been installed on over 400 general needs homes. Our planned maintenance teams continue to change over traditional oil fired communal heating systems to more efficient gas-powered systems. Radius will partner Phoenix Gas on a number of residential pilot schemes in 2023/24 aimed at identifying measures to cut carbon footprints. We also plan to commence our first ‘Carbon Near Zero Energy’ building in Larne.

For the year ended 31 March 2023, Radius Housing, including its wholly owned subsidiaries, reported the following energy usage and carbon emissions for the Group’s corporate activities:

- Underlying global energy use for the year ended 31 March 2023 of 52,790,784 kWh (2022 – 54,217,826 kWh).
- Annual GHG emissions for the year of 9,584.37 tCO2 (2022 - 10,523.91 tCO2).
- Emissions intensity ratio of 0.099 GHG emissions per £m revenue (2022 - 0.112).

The above SECR disclosure presents our carbon footprint across Scopes 1, 2 and 3, together with the appropriate intensity metric and our total energy use of electricity, gas, kerosene, LPG and diesel vans. The usage is as follows:

	2023 kWh	2022 kWh
Electric	7,769,047	8,292,574
Kerosene	16,243,405	14,495,375
LPG	1,698,381	1,503,534
Gas	26,933,547	29,815,029
Diesel	146,405	111,314
Total	52,790,785	54,217,826

Ratio – 9,584.37 / 97,067,730 (Net Turnover) = 0.099 (2022 – 0.112)

Energy efficient actions taken include:

Radius operates a large solar panel portfolio, managing approximately 400 PV systems; offsetting our carbon emissions and making significant energy savings by supplying electricity to a number of our housings schemes. During this financial year they generated an estimated 710,000 kWh which was exported to the grid.

Radius Board and Senior Management

In 2022/23 Melanie English and Robert Dunne retired from the Board. Melanie had chaired the Radius Audit and Risk Committee as well as sitting on the Development Committee for Radius and formerly Fold Housing Association. Robert had been a member of the Audit and Risk Committee. We are grateful to both for their dedication, leadership and contributions to the Association. We were delighted to welcome our new members, Niall Quinn and soon Jacyn Richardson onto the Board. At the commencement of 2023/24, there were 4 females and 8 males on the Radius Board of Management as well as an independent male member on each of the two subsidiary companies and a female member on Tealstone Developments.

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

Radius launched its latest Corporate Plan in 2022/23 following consultation with all key stakeholders. This process was overseen by independent consultation experts Creative Bridge. The business planning framework for the next 5 years takes into consideration all opportunities and threats affecting our customers and business and draws out our key priorities. We will revisit the framework each year as we refresh our business plan to ensure continued congruence. This annual review is informed through regular risk-assessments and horizon scanning at committee and board levels, through customer and partner feedback, recommendations from audits and independent assessments, business stress-testing and through proposals emerging from strategic board discussions.

Members continued to avail of extensive training and awareness sessions and seminars, covering a broad range of topics. There were inhouse workshops on: stress testing of the 2022/23 business plan and budget; the new Radius ESG Strategy; the Radius 2023/24 rent and service charge settlement; Radius's final appraisal of the new Head Office at Holywood; a review into governance arrangements for Radius's subsidiaries; a fundamental review of Communities at Radius by Campbell Tickell; a 'fabric-first' investment proposal for St John's Close, Belfast; An Interim Cashflow Appraisal Model for schemes with cashflow deficits; the Radius 2023/24 budget and business plan; and a Treasury Options workshop for long-term, short-term and sustainable financing. The Board held its strategic review event in Newcastle which included the Annual Group Appraisal and was attended by business partners and local public representatives.

The Board performed its annual review of Radius's risk tolerance and appetite and confirmed the organisational scheme of delegation following minor adjustments on Development and procurement authorisations. The NatFed Code of Governance 2020 had been adopted at the beginning of 2022/23.

Radius is very grateful for the dedication and direction afforded to the Association by its voluntary board members. Their willingness to make themselves available for key decision making throughout the pandemic ensured continuity in services and projects. Their expenses claimed during the year amounted to £2,085 (2022 - £559).

Finance and Business Performance

Actual Performance for the year ended 31 March 2023

In its sixth year of operation, Radius achieved an Operating Surplus of £13.8m versus £15.3m in 2021/22. The decrease was mainly due to the impact of cost increases across each area of the business. A major component of this is the increase in the cost of heat & light of our Schemes and Offices. The cost increased by 17.5% this year which is on top of the 92% increase in 2021/22. This along with the increased cost of staffing and the £2.8m increase in response and change of tenancy maintenance are the main variances to the surplus in 2022/23.

Income stood at £97.1m, up from £94.2m in the same period last year. The value of Radius's total housing properties at cost rose from £1,109m to £1,158m. This movement was due to housing completions in the year less sales to tenants under the "right to buy" scheme which were significant this year as the Scheme drew to a close.

The management of financial resources is critical to the Group's ability to meet its objectives. Whilst the Association has voluntary non-profit making status, the generation of an annual surplus is vital to ensure the ongoing investment in new housing stock to provide for longer term maintenance obligations, to meet the commitments to lenders and to generally ensure adequate protection against unforeseen circumstances.

Radius rating was held at A1 during the year 2022/23 with the outlook moving to negative from stable due mainly to the outlook for the UK economy.

Key financial indicators are shown below:

	2023	2022
• Net Surplus as % of Turnover (<i>before exceptional items & affordable sales</i>)	7.4%	7.6%
• Operating Costs as % of Turnover	85.7%	83.0%
• Rent Losses as % of Rental income	3.7%	3.5%
• Interest Cover (<i>after adding back capitalised major repairs</i>)	147%	146%
• Liquidity Ratio	0.95	1.26
• Gearing Ratio	25.8%	18.7%

These results and the associated statistics show that despite the cost pressures, Radius remains in a strong financial position.

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

Positive Social Impact & Value for Money

Achieving Value for Money (VFM) and continuous improvement remain key priorities for Radius. We aim to utilise our assets and resources as much as possible to meet the needs of existing and future tenants and residents. With the effects of the pandemic, Brexit and a hardening economic headwind, the opportunities for savings through tendering and re-procurement greatly diminished in 2022/23. That said sizeable VFM was delivered by other means:

- Maximising the ‘Housing for all’ fund for shared communities
- Shielding of customers from the full extent of actual costs
- Reduced waste
- Higher performance through empowered staff
- Maximising our social value
- Positive customer and staff engagement
- Community safety and regulatory compliance.

We work collaboratively across traditional business unit boundaries, harnessing the innovation and creativity of our people, our customers and our business partners to deliver improvements through efficiency, effectiveness and economy. Productivity levels have returned to normal pre-pandemic levels. However in the face of unprecedented inflation rates, labour scarcity and highly pressurised supply chains, it has been virtually impossible to achieve procurement savings on price alone. Some costs in construction and maintenance activities have returned higher tendered rates by as much as 40%. With the assistance of tenants we have redesigned some key contracting frameworks which are expected to reduce wastage and improve customer experiences over time. In 2023/24 some contractors decided to exit framework arrangements on grounds of diminished viability and/or following problems recruiting skilled and experienced staff.

In terms of social value, we managed to grow our Shared Housing and Good Relations Plan funding to over £7m which will benefit our communities. Through 2022/23 we invested over £1m in our shared communities. Radius Homes achieved a VAT recovery of around £320k on design services in the year. Meanwhile we shielded tenants from around £600k of fuel costs and £1.4m of the actual cost of services by reduced service charges. We donated £25k to Radius’s Community Chest Fund for the benefit of our tenants and assisted those most vulnerable by way of our Hardship Fund of £20k. Apart from the 700,000kWh of solar energy generated from PV panels across our stock, the additional Renewable Obligation Certificates (ROC’s) contribution for the same panels reached £110k over the 12 months.

In summary the VFM highlights through 2022/23 include:

• Community investment activities	£ 991k
• VAT recovery through Radius Homes	£ 320k
• Radius Community Chest Fund	£ 25k
• Radius Tenant Hardship Fund	£ 20k
• Annual PV panel contribution	£ 110k
• Heating costs absorbed by Radius	£ 600k
• Service charges costs absorbed by Radius	£1,400k
Total VFM for Customers	£3,466k

While we await details of our government’s response to the ‘zero-carbon’ challenge, we have committed £25m towards the modernisation and retrofitting of our older and less fuel-efficient housing stock.

Risk Management

Responsibility for the identification of risks is clearly defined and operates through a cascading risk assessment process. Key risks facing the Group are considered by the Board of Management at each board and committee meeting. Each directorate updates its own risk register every month and undertakes horizon scanning for possible future risks. These in turn are elevated upwards to Radius’s Corporate Risk Register.

We stress-tested our budget and business plan midway through 2022/23, calculating an LBE against a number of unfavourable variances and scenarios and found them to have an appropriate level of resilience and financial capacity to enable us to continue delivering on our objects. We revisited our risk appetite and tolerance and introduced a new risk appetite framework to guide the board, committees and management in their decision making. Radius’s governance and risk management policies and procedures were reviewed by our auditors during the year, prior to the 2023/24 business plan being approved in March.

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

Statement of the responsibilities of the members of the Board of Management(continued)

The members of the Board of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and Group and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. They have general responsibility for the taking of reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in the Directors report may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

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

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

Internal control

The Board of Management has overall responsibility for the Association and Group's internal control systems and for reviewing the effectiveness of these. Such systems can only provide the Board of Management with reasonable (and not absolute) assurance against material misstatement or loss as they are designed to manage the risk of failure to achieve business objectives rather than eliminate the risk completely.

Audit

The Board of Management has established an Audit Committee with clearly defined terms of reference. The main functions of the Audit Committee are to control and review the external and internal audit functions, the internal control systems and monitor the performance of the Association against the key business indicators. The Association's internal auditors report directly to the Audit Committee on completion of each systems review and an annual summary report is produced by the internal auditors summarising the systems audit programme each year. The work of the external auditors also provides some assurance through the year-end audit and the provision of a report to those charged with governance.

Board of Management, Shareholders and Officers

The members of the Board of Management and the officers of the Association are listed on page 2.

Each member of the Board of Management other than members co-opted during the year holds one fully paid share of £1 in the Association.

Radius's voluntary board members continue to give very generously of their time. They supported Radius throughout the year through: attendance at board and committee meetings and the review of papers; attending special board meetings, strategy workshops; in tender evaluations; in meetings with regulators and business partners; training events, seminars and conferences; involvement in board and senior management recruitment exercises and by attending the annual strategic workshop.

Independent auditors

The auditors, Grant Thornton (NI) LLP, have indicated their willingness to continue in office, and a resolution proposing their reappointment will be proposed at the Annual General Meeting.

By order of the Board



M Pitt

Chair of the Board of Management

29 June 2023

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

The Board of Management present their report and the audited financial statements for the year ended 31 March 2023 of Radius Housing Association Limited (the "Association") and its subsidiaries (the "Group").

Board of Management

The Board of Management is a voluntary Committee who have responsibility for the strategic direction, general policy and management of the Group. The day to day management of operations is delegated to the Group Chief Executive and the Senior Management Team.

Actual Performance in the year ended 31 March 2023 and expected performance in the year ended 31 March 2024

The sections on business and financial performance in the year ended 31 March 2023 are covered in pages 11 to 13 of this report. The expected performance in the year ended 31 March 2024 is covered on page 13.

Treasury

The Group's treasury management policy facilitates the effective management of cash flows, borrowings, investments and the risks associated with these activities.

At 31 March 2023, the Association had loans outstanding of £202 million (2022: £206 million). Average net debt per unit was £14,802 at 31 March 2023 which was down from £15,283 at 31 March 2022.

The Group was fully compliant with loan covenants during the year.

The Association's interest cover ratio for the year of 196% (2022 – 216%) and the gearing ratio as at 31 March 2023 of 17.5% (2022 – 18.7%) comfortably exceeded the Association's primary lenders' requirements.

Responsibility for the management of interest rate risk and liquidity risk is delegated to the Association Finance Committee. The Association finances its operations through a combination of borrowing and the reinvestment of retained reserves. The amount of borrowings and its terms are reviewed and determined by the Finance Committee.

Interest rate risk

Exposure to fluctuating interest rates is limited given the majority of the Association's loans are fixed rate. The Association's effective interest rate in 2023 was 4.16% (2022: 4.15%).

Liquidity risk

The Group has sufficient long-term loan financing available to achieve business objectives and to facilitate planned growth. The Association had available loan facilities agreed with banks but undrawn of £70 million at 31 March 2023 (2022 - £50m).

Currency risk

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

Charitable donations

Donations and sponsorships totalling £29,885 (2022: £10,837) were made by the Group during the year. No donations for political purposes were made during the year (2022: £nil).

Statement of the responsibilities of the members of the Board of Management

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

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

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

The challenging economic situation is impacting on customers, our partners and our business. Rising interest rates, heightened inflation and high energy, fuel and food costs are pushing more families into poverty. The need to deliver VFM for all our customers has seldom been greater. Radius and all local housing associations are prepared to navigate the challenges of an absent functioning local government coupled with a N. Ireland budget deficit. Although the demand for more social housing continues to increase, so we must also balance our future investment priorities with the need to decarbonise, modernise and keep safe our existing stock. Construction and maintenance costs have been rising for over 24 months with some builders and contractors struggling to deliver within tendered rates. Recruitment across all business sectors has been challenging and within the social housing sector there are acute skill shortages in asset management, development and care roles. Organisations such as Radius are focussing on new methods of recruitment as well as new market segments.

In summary some of the major factors likely to impact on Radius, our customers and the NI Social Housing Sector in the year ahead include the:

- Uncertainty around the NI Assembly, the NI Protocol and cuts in government funding.
- Economic impact of high inflation and interest rates together with higher energy and fuel costs.
- Geo-political effects of the Ukraine war particularly on asylum seekers, commodities and food costs.
- Impact of climate change and 'zero carbon' targets.
- Rapidly changing technology with added demand for digital services.
- Cyber and data security.
- New fire-safety and sustainability building standards.
- Future Supporting People strategy.
- Rising construction, land and material costs.
- Availability of land in areas of demand.
- Development risks around planning and water infrastructure capacity.
- Growing population of older people with complex needs.
- Retention and availability of skilled staff.

Expected performance in the year ending 31 March 2024


Radius has plans to grow its turnover, excluding property sales, to £103m with an operating surplus of £19.1m in 2023/24. We will increase our VFM initiatives for customers to £4.5m while raising our investment in existing properties to £29m. We will have 700 homes under construction on sites across Northern Ireland while targeting at least a further 350 new starts in the year. We also expect to commence our first fully private development project on site, the profits of which will help subsidise social housing development cashflow deficits elsewhere together with our sustainability plans.

We continue to work with our tenants, partners and staff to ensure all services are at optimal performance levels. At the same time we will continue with our community investment initiatives, building resilience within our shared neighborhoods. Our staff are helping to sustain tenancies while supporting tenants into work and education. We will publish our second Environmental Social and Governance Report to the Sustainability Reporting Standards as well as finalising our 5 Year ESG Strategy.

We remain committed to operating at all times with good governance, social responsibility and transparency. We are a learning organisation, keen to listen to our customers and adopt 'best-in-class' procedures, practices and systems. At the heart of our organisation are dedicated and professional staff who through their hard work, dedication and creativity will enable our customers and communities to thrive.

The Board is content that the Radius Group has sufficient resources to fund its ongoing activities for the next 12 months and beyond whereby it continues to be appropriate to adopt the going concern basis in the preparation of the annual financial statements.

By order of the Board



J. McLear OBE
Company Secretary
29 June 2023

Independent auditors' report to the members of Radius Housing Association Limited Report on the audit of the financial statements

Opinion

We have audited the financial statements of Radius Housing Association Limited (the "Association") and its subsidiaries (together the "Group") for the year ended 31 March 2023, which comprise the Consolidated and Association's statement of comprehensive income, the Consolidated and Association's statement of changes in reserves, the Consolidated and Association's statement of financial position and the Consolidated 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 the preparation of the financial statements is applicable law and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Radius Housing Association Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the Group and the Association as at 31 March 2023 of the assets, liabilities and financial position of the Group and Association's income and expenditure and the Group's cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, the Housing (Northern Ireland) Order 1992, Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993 and the Charities Act (Northern Ireland) 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Strategic Report of the Board of Management, and the Report of the Board of Management. The Board of Management are 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 doing so, 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 in the financial statements, 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.

We have nothing to report in this regard.

Independent auditors' report to the members of Radius Housing Association Limited (continued)

Report on the audit of the financial statements (continued)

Matters on which we are required to report by exception

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

- the Association have not kept proper books of account; or
- the Association have not maintained a satisfactory system of control over transactions; or
- the financial statements are not in agreement with the Association's books of account; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in this regard.

Under the Charities Act (Northern Ireland) 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015, we are required to report to you if, in our opinion:

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

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Board of Managements' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and 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 management either intends to liquidate the Group and Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group and Association's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of an auditor's 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 auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent auditors' report to the members of Radius Housing Association Limited (continued)

Report on the audit of the financial statements (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (Continued)

Based on our understanding of the Group and Association, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Data Privacy law, Employment Law, Environmental Regulations, Pensions Legislation, Health & Safety, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions.

Responsibilities of the auditor for the audit of the financial statements

We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

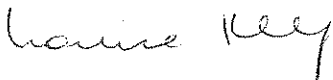
In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management board on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Group and the Association's regulatory and legal correspondence and review of minutes of board meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including useful economic life of housing and non-housing properties, and defined benefit assumptions; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Association in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, section 65 of the Charities Act (Northern Ireland) 2008, regulations made under section 66 of that Act (Part 4 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 and article 19 of The Housing (Northern Ireland) Order 1992. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association as a body, for our audit work, for this report, or for the opinions we have formed.



Louise Kelly (Senior Statutory Auditor)
For and on behalf of
Grant Thornton (NI) LLP
Chartered Accountants & Statutory Auditors
Belfast
Northern Ireland

29/6/23

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

	Note	2023 £	2022 £
Turnover	5	97,067,730	94,162,736
Operating costs	6	(83,243,376)	(78,882,355)
Operating surplus	7	13,824,354	15,280,381
Transfer to Disposal Proceeds Fund	10	(1,336,751)	(330,592)
Transfer from/(to) Tenant Services Fund		406,645	(41,590)
Interest receivable and similar income	11	127,659	8,062
Interest payable and similar charges	12	(8,439,665)	(8,542,691)
Net pension income	13	2,602,947	(511)
Exceptional costs	7	-	(25,000)
Surplus before tax for the financial year		7,185,189	6,348,059
Taxation	14	-	-
Surplus for the financial year		7,185,189	6,348,059
Other comprehensive income/(expense):			
Fair value gain on financial instruments		199,878	177,273
Pension scheme deficit reduction payments		(1,669,000)	(1,639,000)
Actuarial (loss)/gain in respect of pension schemes	36	(2,605,000)	10,754,000
Total other comprehensive (expenses)/income		(4,074,122)	9,292,273
Total comprehensive income for the year		3,111,067	15,640,332

The notes on pages 24 to 49 are an integral part of these consolidated financial statements.

All amounts above relate to continuing operations of the Group.

Consolidated statement of changes in reserves for the year ended 31 March 2023

	Note	2023 £	2022 £
Surplus for the financial year		7,185,189	6,348,059
Fair value gain on financial instruments		199,878	177,273
Pension scheme deficit reduction payments		(1,669,000)	(1,639,000)
Actuarial (loss)/gain recognised in pension scheme	36	(2,605,000)	10,754,000
Issue of share capital	28	1	2
Net addition to capital and reserves		3,111,068	15,640,334
Opening total capital and reserves		159,515,893	143,875,559
Closing total capital and reserves		162,626,961	159,515,893

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

	Note	2023 £	2022 £
Turnover	5	97,065,530	94,160,535
Operating costs	6	(83,241,419)	(78,880,262)
Operating surplus	7	13,824,111	15,280,273
Transfer to Disposal Proceeds Fund	10	(1,336,751)	(330,592)
Transfer from/(to) Tenant Services Fund		406,645	(41,590)
Interest receivable and similar income	11	127,657	8,062
Interest payable and similar charges	12	(8,439,665)	(8,542,691)
Net pension income	13	2,602,947	(511)
Exceptional costs	7	-	(25,000)
Surplus before tax for the financial year		7,184,944	6,347,951
Taxation	14	-	-
Other comprehensive (expense)/income:			
Fair value gain on financial instruments		199,878	177,273
Pension scheme deficit reduction payments		(1,669,000)	(1,639,000)
Actuarial (loss)/gain in respect of pension schemes	36	(2,605,000)	10,754,000
Total other comprehensive (expense)/income		(4,074,122)	9,292,273
Total comprehensive income for the year		3,110,822	15,640,224

The notes on pages 24 to 49 are an integral part of these consolidated financial statements.

All amounts above relate to continuing operations of the Association.

Association statement of changes in reserves for the year ended 31 March 2023

	Note	2023 £	2022 £
Surplus for the financial year		7,184,944	6,347,951
Fair value gain on financial instruments		199,878	177,273
Pension scheme deficit reduction payments		(1,669,000)	(1,639,000)
Actuarial (loss)/gain recognised in pension scheme	36	(2,605,000)	10,754,000
Issue of share capital	28	1	2
Net addition to capital and reserves		3,110,823	15,640,226
Opening total capital and reserves		159,059,043	143,418,817
Closing total capital and reserves		162,169,866	159,059,043

Consolidated statement of financial position as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Housing properties - depreciated cost	15	926,893,127	890,630,839
Other tangible fixed assets	16	9,825,598	8,892,587
Investments	17	3,985,981	3,024,195
		940,704,706	902,547,621
Current assets			
Stock	19	9,236,310	9,291,861
Debtors	20	23,132,980	12,487,652
Investments	21	269,325	267,338
Cash at bank and in hand	22	10,104,548	26,981,779
		42,743,163	49,028,630
Creditors: amounts falling due within one year	23	(45,050,766)	(39,497,341)
Net current (liabilities)/assets		(2,307,603)	9,531,289
Total assets less current liabilities		938,397,103	912,078,910
Creditors: amounts falling due after more than one year	24	(775,770,142)	(752,563,017)
Net assets		162,626,961	159,515,893
Capital and reserves			
Called up share capital	28	26	26
Capital reserve	29	274	273
Revenue reserve		162,626,661	159,515,594
Total capital and reserves		162,626,961	159,515,893

The notes on pages 24 to 49 are an integral part of these consolidated financial statements.

The financial statements on pages 19 to 49 were approved and authorised for issue by the Board of Management on 29 June 2023 and were signed on its behalf by:



M Pitt
Chair



J McLean OBE
Company Secretary



L Campbell
Board Member

Association statement of financial position as at 31 March 2023

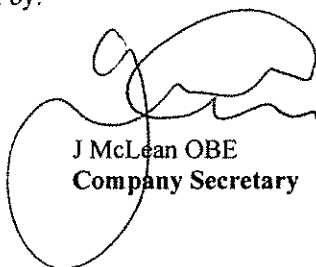
	Note	2023 £	2022 £
Fixed assets			
Housing properties - depreciated cost	15	926,893,127	890,630,839
Other tangible fixed assets	16	9,825,598	8,892,587
Investments	17	9,054,796	8,086,765
Investments in subsidiary undertakings	18	250,004	250,004
		946,023,525	907,860,195
Current assets			
Stock	19	4,155,320	4,225,041
Debtors	20	23,403,148	12,400,805
Investments	21	269,325	267,338
Cash at bank and in hand	22	9,323,792	26,057,587
		37,151,585	42,950,771
Creditors: amounts falling due within one year	23	(45,235,102)	(39,188,906)
Net current (liabilities)/assets		(8,083,517)	3,761,865
Total assets less current liabilities		937,940,008	911,622,060
Creditors: amounts falling due after more than one year	24	(775,770,142)	(752,563,017)
Net assets		162,169,866	159,059,043
Capital and reserves			
Called up share capital	28	26	26
Capital reserve	29	274	273
Revenue reserve		162,169,566	159,058,744
Total capital and reserves		162,169,866	159,059,043

The notes on pages 24 to 49 are an integral part of these consolidated financial statements.

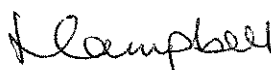
The financial statements on pages 19 to 49 were approved and authorised for issue by the Board of Management on 29 June 2023 and were signed on its behalf by:



M Pitt
Chair



J McLean OBE
Company Secretary



L Campbell
Board Member

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

	Note	2023 £	2022 £
Net cash from operating activities	30	12,969,219	12,490,903
Cash flow from investing activities			
Purchase and development of housing properties		(58,445,745)	(40,504,587)
Housing Association Grant and other grants		35,551,858	20,266,748
Receipts from disposal of housing properties		7,982,897	3,612,779
Purchase of other assets and investments		(2,527,485)	(382,534)
Receipts from disposal of other assets and investments		-	180,883
Interest received		82,247	8,062
Net cash used in investing activities		(17,356,228)	(16,818,649)
Cash flows from financing activities			
Issue of share capital		1	2
Loan principal repayments		(4,386,279)	(2,857,151)
Interest paid		(8,101,957)	(8,543,202)
Net cash used in financing activities		(12,488,235)	(11,400,351)
Net decrease in cash and cash equivalents		(16,875,244)	(15,728,097)
Cash and cash equivalents at the beginning of the year		27,249,117	42,977,214
Cash and cash equivalents at the end of the year	31	10,373,873	27,249,117

The notes on pages 24 to 49 are an integral part of these consolidated financial statements.

Notes to the financial statements for the year ended 31 March 2023

1 General information

The Group and Association's principal activity during the financial year was providing high quality homes for rent throughout Northern Ireland. The group is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and is a Registered Housing Association, domiciled in the UK. The address of the registered office is 3 – 7 Redburn Square, Holywood, County Down, BT18 9HZ.

2 Statement of compliance

These financial statements of Radius Housing Association Limited have been prepared on the going concern basis in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, ‘‘The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland’’ (‘‘FRS 102’’) under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom and Statement of Recommended Practice for Accounting by Registered Social Landlords (updated 2014). The principal accounting policies, which have been applied consistently throughout the year, are set out below. The presentation of the financial statements complies with the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. The functional and presentational currency is pound sterling (£).

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The significant accounting policies adopted by the Group and the Association are as follows:

Basis of preparation of financial statements

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Association accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Basis of consolidation

The Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position include the financial statements of the Group and its subsidiary undertakings made up to 31 March 2023. Intra Group transactions, any unrealised profits/losses arising and intercompany balances are eliminated fully on consolidation.

Going concern

The financial statements have been prepared on a going concern basis which the Board considers to be appropriate for the following reasons:

(i) The Group and Association prepared a 5 Year Corporate Plan in 2022 and the Business Plan is updated and approved on an annual basis. The most recent plan was approved at our March 2023 Board Meeting. This plan includes departmental budgets for the coming financial year and updates our 5 year strategic goals. Progress towards these goals is monitored on a monthly and quarterly basis through our Corporate Scorecard and updates provided to Committees and Board at least quarterly and regularly to other interested stakeholders.

(ii) The Board is satisfied with the 2023/24 Budgets for the Group and Association and the long term plans and is of the opinion that despite the bleak economic outlook, the Group and Association has adequate resources to continue in business for the foreseeable future. The Board note the net current liability position on the Group and Association Statement of Financial Position.

(iii) We have prepared financial projections to the end of 2058 which indicate that the Group and Association will continue to be profitable for this entire period. This gives our Board sufficient comfort that we have sufficient resources to discharge all liabilities in the ordinary course of business as they fall due for payment and that we have adequate liquid resources available.

Notes to the financial statements for the year ended 31 March 2023**3 Summary of significant accounting policies (continued)****Going concern (continued)**

(iv) The projections allow for the current delays in handovers and the increased cost of borrowing. They also take into account our current planned maintenance program and increased cost of day to day repairs and energy. In addition, we have stress tested the model to ensure it can withstand a number of adverse scenarios such as higher interest rates and increased void property. The Board believes we have sufficient funding in place and expect the Group and Association to be in compliance with its debt covenants even in severe downside scenarios. We renewed our short term facilities in March 2023 for four years which gives us further comfort for the medium term.

(v) The Board acknowledges that for the continuing delivery of its development programme, the Association is dependant on grant funding from the Department for Communities and bank finance.

The Board therefore believes there is a reasonable expectation that the Group and Association has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

Foreign currencies

Transactions and non-monetary assets, denominated in foreign currencies, are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date or the exchange rate of a related foreign exchange contract where relevant. The resulting exchange gains or losses are dealt with in the income and expenditure account.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Group and Association and value added taxes. The Group and Association bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash and cash equivalents is deferred and the arrangement constitutes a financing transaction, the fair value of the consideration is measured at the present value of all future receipts using the imputed rate of interest. The Group and Association recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group and Association retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow through the Group and Association and (e) when the specific criteria relating to each of the Group and Association's sales channels have been met, as described below and in note 5.

(i) Net rental income

Income includes rent and service charge income arising from the provision of housing accommodation and the amortisation of Housing Association Grant. Income is recognised in the period to which it relates.

(ii) Other income

All other income is recognised in the Statement of comprehensive income when the terms of revenue recognition have been met.

Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognized as an expense in the period in which the service is received.

Notes to the financial statements for the year ended 31 March 2023**3 Summary of significant accounting policies (continued)****Employee benefits (continued)****(ii) Multi-employer pension plan**

Retirement benefits to employees of the Association are provided by the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) defined benefit scheme which is externally funded.

The assets of the NILGOSC scheme are held separately from those of the Association. The Association has adopted FRS 102 section 28 'Employee benefits' in these financial statements. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability. The increase in the present value of the liabilities of the Association's defined benefit pension scheme arising from employee service in the year is charged to operating surplus. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is recognised in the statement of comprehensive income as 'Finance expense'.

Actuarial gains and losses are recognised in the statement of comprehensive income.

The contributions are determined by qualified actuaries on the basis of quinquennial valuations, using a projected unit method.

All new employees joining Radius from 1 April 2013 are not eligible to join the NILGOSC scheme. Instead they join the Social Housing Pension Scheme Defined Contribution (SHPS DC).

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

Tangible fixed assets**Housing properties**

The Group operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock.

Housing properties are stated at cost including an appropriation of on costs and net of initial sales proceeds from part owners in respect of leasehold schemes and are reviewed annually by the Board for impairment.

Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation and are reviewed annually by the Board for impairment.

Schemes under construction

Schemes under construction are carried at cost and are not depreciated until brought into use.

Capitalisation of development costs

Development costs are capitalised where they are directly attributable to bringing the properties into working condition for their intended use. Such costs include the labour costs of Association employees arising directly from the acquisition or development of the property and incremental costs that would only have been avoided if the property concerned had not been acquired or constructed.

Notes to the financial statements for the year ended 31 March 2023

3 Summary of significant accounting policies (continued)

Housing Association Grant and other grants

Housing Association Grant and other grants received as a contribution towards the capital costs of housing properties of the Association are shown as “Creditors: amounts falling due after more than one year” and are amortised to the Statement of comprehensive income as per the turnover policy. Housing Association Grant received against revenue expenditure is credited to revenue in the period in which the related expenditure is charged.

Such grants, although treated as a grant for accounting purposes, may be repayable under certain circumstances, primarily following the sale of housing property, but any amount repayable would be restricted to the net proceeds of the sale.

Depreciation and Impairment

Housing properties

Housing properties are split between land, structure and major components which require periodic replacement. Replacement or refurbishment of such major components is capitalised and depreciated over the estimated useful life which has been set taking into account professional guidance and the Group’s asset management strategy. In determining the remaining useful lives for the housing stock, the Group has taken account of views provided by both internal and external professional sources.

Freehold land is not subject to depreciation. Depreciation is charged so as to write down the cost or valuation of the freehold housing properties and major components on a straight line basis over their expected use economic lives.

Housing assets are subject to a full year’s depreciation in the year of acquisition or completion.

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, at the following annual ranges:

Main fabric	100 years
Roof structure and coverings	60 years
Windows and external doors	30 years
Heating system boilers	15 years
Kitchens	20 years
Bathrooms	25 years
Mechanical systems (heating, ventilation, plumbing)	10 years
Electrics	30 years
Lift	20 years
Office buildings	60 years

Long leasehold office property

The Association’s policy is to depreciate the cost over the remaining useful economic life of the property. The useful economic life of the asset has been estimated at 60 years.

Other fixed assets

Depreciation of other fixed assets is charged on a straight-line basis over the estimated useful economic lives of the assets at the following annual rates:

Office and computer equipment	25% per annum
-------------------------------	---------------

Subsequent additions and major components

The costs of subsequent additions or major component replacements are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will continue to flow to the Group and the cost can be measured reliably. The carrying amount of any replaced component is derecognised. Repairs, maintenance and minor inspection costs are expensed as incurred.

Notes to the financial statements for the year ended 31 March 2023**3 Summary of significant accounting policies (continued)****Derecognition**

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of comprehensive income.

Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Stock

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase or construction. At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of comprehensive income on a straight-line basis over the period of the lease.

Cash and cash equivalents

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

Current asset investments

Current asset investments are investments in short-term deposits with an original maturity between one and twelve months.

At each statement of financial position date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the assets.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of comprehensive income.

Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligations can be estimated reliably. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Notes to the financial statements for the year ended 31 March 2023**3 Summary of significant accounting policies (continued)****Provisions (continued)**

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

Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Associations control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Financial instruments

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

i) Financial assets

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

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or, (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in Statement of income and retained earnings, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements for the year ended 31 March 2023**3 Summary of significant accounting policies (continued)****Disposal proceeds fund**

The net surpluses after loan repayments that arise from the sale of property to tenants under the voluntary purchase grant arrangements instituted by the Department for Communities can be used by the Association to fund works on property that would not be eligible for Housing Association Grant or in certain circumstances, attract loan finance.

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

Revenue reserves

The Association's policy is to retain a level of revenue reserves which reflects its needs at the current time and in the foreseeable future. The reserves required are sufficient to meet committed running costs for a period equivalent to twelve months budgeted future expenditure.

Leasehold Sinking funds

Leasehold sinking funds are reserve funds held for specific leasehold schemes which are set aside for major building repairs and replacement. The sinking funds are held for the benefit of the leaseholders until such time as agreed expenses are incurred and allocated to these funds.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the Group financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgement in applying the entity's accounting policies

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

(b) Critical accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the Group financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

4 Critical accounting judgements and estimation uncertainty (continued)*(i) Useful economic lives of housing and non-housing properties*

The annual depreciation on housing properties is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of housing properties, and note 3 for the useful economic lives for each component of housing property.

(ii) Defined benefit pension scheme

The Association has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 36 for the disclosures relating to the defined benefit scheme.

There are no other critical accounting estimates and assumptions.

Notes to the financial statements for the year ended 31 March 2023

5 Turnover

Turnover and results relate to the Group's main activities which are carried out in Northern Ireland and the Republic of Ireland. Turnover represents rental and service charge income together with residential and daycare charges for Housing with Care, all net of voids. It also includes income from Telecare/Telehealth services, services provided to other Housing Associations and Special Needs Management Allowance received for the provision of housing with care.

6 Operating costs

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Direct costs	76,880,595	73,045,128	76,880,595	73,042,928
Administrative expenses	6,362,781	5,837,227	6,360,824	5,837,334
	83,243,376	78,882,355	83,241,419	78,880,262

7 Operating surplus

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
This is stated after charging/(crediting):				
Staff costs (note 8)	24,201,669	22,398,202	24,201,669	22,398,202
Depreciation (note 15, 16)	15,929,652	15,306,724	15,929,652	15,306,724
HAG amortisation (note 27)	(11,986,741)	(11,969,247)	(11,986,741)	(11,969,247)
Gain/(loss) on disposal of fixed assets	(1,096,402)	64,579	(1,096,402)	64,579
Exceptional item – provision for onerous lease and impairment	-	25,000	-	25,000
Fees payable to the Association's auditor in respect of audit services	58,130	57,500	51,630	57,500
Fees payable to the Association's auditor in respect of non- audit services	-	28,500	-	28,500
Fees payable in respect of internal audit services	45,755	28,631	45,755	28,631

Notes to the financial statements for the year ended 31 March 2023

8 Employee information

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Staff costs				
Wages and salaries	19,964,951	18,500,361	19,964,951	18,500,361
Social security costs	1,769,399	1,510,287	1,769,399	1,510,287
Other pension costs	2,467,319	2,387,554	2,467,319	2,387,554
	24,201,669	22,398,202	24,201,669	22,398,202
			2023	2022
			No.	No.
Average monthly number of persons employed during the financial year by activity:				
Administration and management			334	324
Scheme co-ordinators and ancillary staff			216	233
Care staff, cleaners and other support staff			339	317
			889	874

9 Directors' Emoluments

The remuneration of directors (defined for the purposes of emoluments as the Chief Executive and any member of the Senior Management Team of the Association) during the year was:

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Aggregate emoluments	755,362	720,714	755,362	720,714
Pension contributions	155,836	146,780	155,836	146,780
	911,198	867,494	911,198	867,494

Members of the Board of Management serve in a voluntary capacity and none were in receipt of emoluments during the year.

The Board and Committee members were reimbursed for expenses totalling £2,085 during the year (2022 £559).

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

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Aggregate emoluments	152,446	149,478	152,446	149,478
Pension contributions	43,584	43,148	43,584	43,148
	196,030	192,626	196,030	192,626

Notes to the financial statements for the year ended 31 March 2023

9 Directors' Emoluments (continued)

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

Salary Band:	Group		Association	
	2023 No	2022 No	2023 No	2022 No
£150,000 - £155,000	1	1	1	1
£105,000 - £110,000	2	-	2	-
£100,000 - £105,000	-	1	-	1
£95,000 - £100,000	3	2	3	2
£90,000 - £95,000	1	2	1	2
£85,000 - £90,000	-	1	-	1
	7	7	7	7

10 Transfer to disposal proceeds fund

	Group		Association	
	2023 £	2022 £	2023 £	2022 £
Opening Balance	5,117,937	2,058,129	5,117,937	2,058,129
Transfer of Grant on Disposal	7,849,843	3,671,722	7,849,843	3,671,722
Transfer from disposal fund	(1,336,751)	(330,592)	(1,336,751)	(330,592)
Transfer to HAG reserve	-	(117,492)	-	(117,492)
Purchases in the year	(6,315,809)	(163,830)	(6,315,809)	(163,830)
Closing balance	5,315,220	5,117,937	5,315,220	5,117,937
Represented by:				
Due within one year (note 23)	-	1,653,568	-	1,653,568
Due after more than one year (note 24)	5,315,220	3,464,369	5,315,220	3,464,369
	5,315,220	5,117,937	5,315,220	5,117,937

11 Interest receivable and similar income

	Group		Association	
	2023 £	2022 £	2023 £	2022 £
Interest receivable	127,657	8,062	127,657	8,062

12 Interest payable and similar charges

	Group		Association	
	2023 £	2022 £	2023 £	2022 £
Housing property loans	8,439,665	8,542,691	8,439,665	8,542,691

Notes to the financial statements for the year ended 31 March 2023

13 Net pension income/(charge)

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Defined benefit pension scheme net interest income/(charge) (note 36)	2,602,947	(511)	2,602,947	(511)

14 Taxation on profit on ordinary activities

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
UK corporation tax charge on profit for the year	-	-	-	-

15 Housing properties – depreciated cost

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Cost				
At 1 April	1,110,069,671	1,076,262,353	1,110,069,671	1,076,262,353
Additions	58,750,577	41,410,786	58,750,577	41,410,786
Transfer to stock	(304,832)	(906,199)	(304,832)	(906,199)
Disposals	(10,514,102)	(6,697,269)	(10,514,102)	(6,697,269)
At 31 March	1,158,001,314	1,110,069,671	1,158,001,314	1,110,069,671
Depreciation				
At 1 April	219,438,832	207,619,520	219,438,832	207,619,520
Charge for the year	15,296,964	14,839,369	15,296,964	14,839,369
Impairment for the year	-	-	-	-
Disposals	(3,627,609)	(3,020,057)	(3,627,609)	(3,020,057)
At 31 March	231,108,187	219,438,832	231,108,187	219,438,832
Net book value				
At 31 March	926,893,127	890,630,839	926,893,127	890,630,839
Net book amount comprises:				
Freehold property	877,684,162	840,518,941	877,684,162	840,518,941
Long leasehold property	49,208,965	50,111,898	49,208,965	50,111,898
	926,893,127	890,630,839	926,893,127	890,630,839
Completed schemes	823,060,024	800,437,501	823,060,024	800,437,501
Properties under construction	103,833,103	90,193,338	103,833,103	90,193,338
	926,893,127	890,630,839	926,893,127	890,630,839

Notes to the financial statements for the year ended 31 March 2023

15 Housing properties – depreciated cost (continued)

The group considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment, in accordance with the requirements of FRS 102. The recoverable amount is taken to be the higher of the fair value less costs to sell or the value in use of an asset or CGU. In making the assessment of the recoverable amount, the group considers that value in use which takes into account the service potential of the CGUs is appropriate. Where value in use - service potential is to be determined, the calculation of Depreciated Replacement Cost (DRC) is considered to be suitable. Based on this assessment, we calculated the DRC using appropriate construction costs and land prices of each housing property scheme. In these circumstances we consider the DRC to be the recoverable amount. Where the carrying amount is greater than the recoverable amount, an impairment loss of the difference between the two is taken to the income and expenditure account and a corresponding entry is made to reduce the carrying value of the asset. There was no impairment charged in the 31 March 2023 year end (2022 - £Nil).

16 Other tangible fixed assets

Group and Association	Long leasehold office property £	Office and computer equipment £	Total £
Cost			
At 1 April	13,492,244	3,067,591	16,559,835
Additions	975,749	589,950	1,565,699
Disposals	-	(80,320)	(80,320)
At 31 March	14,467,993	3,577,221	18,045,214
Depreciation			
At 1 April	5,336,962	2,330,286	7,667,248
Charge for the year	257,915	374,773	632,688
Eliminated On Disposals	-	(80,320)	(80,320)
At 31 March	5,594,877	2,624,739	8,219,616
Net book amount			
At 31 March 2023	8,873,116	952,482	9,825,598
At 31 March 2022	8,155,282	737,305	8,892,587

17 Investments

	Group		Association	
	2023 £	2022 £	2023 £	2022 £
At 1 April	3,024,195	3,205,078	8,086,765	3,200,828
Additions/(disposals)	961,786	(180,883)	968,031	4,885,937
At 31 March	3,985,981	3,024,195	9,054,796	8,086,765

Group investments include ground rent investment of £4,250. Association investments relate to THFC sinking funds and an investment in one of its subsidiaries, Tealstone Developments Limited, to acquire land for development.

Notes to the financial statements for the year ended 31 March 2023

18 Investment in subsidiary undertakings - Association

		£
Cost		
At 31 March 2022 and 2023		250,004

Investments in subsidiary undertakings are recorded at cost, which is the fair value of the consideration paid. The Association's subsidiary undertakings, which are incorporated in Northern Ireland, are:

Name of company	Holding	Proportion held	Registered Office	Principal Activity
Tealstone Developments Limited	Ordinary shares	100%	3-7 Redburn Square Holywood BT18 9HZ	Development of land
Radius Homes Limited	Ordinary shares	100%	3-7 Redburn Square Holywood BT18 9HZ	House building services

19 Stock

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Consumables	165,907	222,540	165,907	222,540
New homes for outright sale	3,989,413	4,002,501	3,989,413	4,002,501
Development land	5,080,990	5,066,820	-	-
	9,236,310	9,291,861	4,155,320	4,225,041

Stock represents both completed properties and properties under construction for outright sale. Stock is valued at the lower of cost and net realisable value. Cost includes acquisition and development costs together with capitalised interest. Net realisable value is based on the estimated selling price less selling costs.

20 Debtors

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Rental Debtors Gross – Technical	3,038,539	2,494,864	3,038,539	2,494,864
Rental Debtors Gross – Non-technical	2,200,321	1,806,625	2,200,321	1,806,625
Provision for bad debts	(1,446,514)	(1,191,742)	(1,446,514)	(1,191,742)
Net rental (including rates, service charges) debtors	3,792,346	3,109,747	3,792,346	3,109,747
Trade debtors	542,891	448,095	541,536	448,095
Amounts due from subsidiaries (note 40)	-	-	756,508	381,279
Other debtors	2,284,403	2,592,514	1,799,418	2,124,388
Prepayments and accrued income	1,087,970	963,658	1,087,970	963,658
Housing Association Grant receivable	15,425,370	5,373,638	15,425,370	5,373,638
	23,132,980	12,487,652	23,403,148	12,400,805

Amounts owed by related undertakings are interest free, unsecured and repayable on demand.

Notes to the financial statements for the year ended 31 March 2023

21 Investments

	Group		Association	
	2023 £	2022 £	2023 £	2022 £
Short term deposits	269,325	267,338	269,325	267,338

This represents cash held on deposit with an original maturity between 1 and 12 months. At the year end the average maturity of the deposits was 3 months. The average interest rate was 0.74% (2022 – 0.5%).

22 Cash at bank and in hand

	Group		Association	
	2023 £	2022 £	2023 £	2022 £
Cash at bank	10,104,548	26,981,779	9,323,792	26,057,587

None of the cash at bank is restricted.

23 Creditors: amounts falling due within one year

	Group		Association	
	2023 £	2022 £	2023 £	2022 £
Bank loans & senior notes (note 26)	3,775,187	3,885,454	3,775,187	3,885,454
DFC loans (note 26)	40,230	104,253	40,230	104,253
THFC premium	111,629	110,816	111,629	110,816
Other tax and social security	156,619	211,407	156,619	211,407
Rent, rates and service charges received in advance	1,576,203	1,514,192	1,576,203	1,514,192
Housing Association Grant in advance	8,493,465	3,252,942	8,493,465	3,252,942
Other creditors	9,127,464	5,749,914	5,090,463	3,514,618
Disposal Proceeds Fund (note 10)	-	1,653,568	-	1,653,568
Accruals and deferred income	10,232,772	10,773,909	10,232,772	10,773,909
Amounts owed to subsidiaries (note 40)	-	-	4,221,337	1,926,861
Housing Association Grant (note 27)	11,284,702	11,435,176	11,284,702	11,435,176
Tenant services account	252,495	805,710	252,495	805,710
	45,050,766	39,497,341	45,235,102	39,188,906

Amounts owed to related parties and subsidiary undertakings are interest free, unsecured and repayable on demand.

Notes to the financial statements for the year ended 31 March 2023

24 Creditors: amounts falling due after more than one year

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Bank loans & senior notes (Note 26)	197,801,008	201,972,779	197,801,008	201,972,779
DFC loans (note 26)	2,765	42,983	2,765	43,983
THFC premium	2,031,637	2,105,113	2,031,637	2,105,113
Disposal proceeds fund (note 10)	5,315,219	3,464,369	5,315,219	3,464,369
Housing Association Grant (note 27)	566,101,879	541,554,838	566,101,879	541,554,838
Fair value of financial instruments	123,888	323,767	123,888	323,767
Other creditors	4,393,746	3,099,168	4,393,746	3,099,168
	775,770,142	752,563,017	775,770,142	752,563,017

The disposals proceeds fund consists of monies arising from house sales, less allowable costs and contributions, from which transfers to Housing Association Grant (HAG) arising from qualifying expenditure may be made with Departmental consent, generally within 3 years of the monies being transferred into the fund.

25 Financial instruments

The Group and Association has the following financial instruments:

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Financial assets that are debt instruments measured at amortised cost				
Rental debtor (note 20)	3,792,346	3,109,747	3,792,346	3,109,747
Other debtors (note 20)	3,915,264	4,004,267	3,428,924	3,536,141
Amounts owed by subsidiaries (note 40)	-	-	756,508	381,279
Housing Association Grant receivable (note 20)	15,425,370	5,373,638	15,425,370	5,373,638
Investments in long term deposits (note 17)	3,985,981	3,024,195	9,054,796	8,086,765
Investments in short term deposits (note 21)	269,325	267,338	269,325	267,338
Cash at bank and in hand (note 22)	10,104,548	26,981,779	9,323,792	26,057,587
	37,492,834	42,760,964	42,051,061	46,812,495
Financial liabilities measured at amortised cost				
DfC loans (note 26)	42,995	147,236	42,995	147,236
Bank loans & senior notes (note 26)	201,576,195	205,858,233	201,576,195	205,858,233
Other creditors (note 23 & 24)	13,521,210	8,849,082	9,484,209	6,613,786
Accruals and deferred income (note 23)	10,232,772	10,773,909	10,232,772	10,773,909
Amounts owed to subsidiaries (note 40)	-	-	4,221,337	1,926,861
	225,373,172	225,628,460	225,557,508	225,320,025
Financial liabilities measured at fair value through other comprehensive income				
Derivative financial instrument (note 24)	123,888	323,767	123,888	323,767
	123,888	323,767	123,888	323,767

Financial assets and liabilities measured at fair value through other comprehensive income are made up of derivative financial instruments. In accordance with the group's policy on hedging, interest rate exposure is mitigated by entering into interest rate swaps. It is not possible to ascertain the amount of the financial instrument that will reverse within one year and as such it has been presented in the financial statements as non-current.

Notes to the financial statements for the year ended 31 March 2023

26 Loans

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Bank loans				
Less than one year, or on demand	3,775,187	3,885,454	3,775,187	3,885,454
Between one and two years	11,954,859	11,965,307	11,954,859	11,965,307
Between two and five years	10,164,579	10,953,841	10,164,579	10,953,841
After more than five years	71,739,483	75,154,501	71,739,483	75,154,501
Senior notes				
After more than five years	103,942,087	103,899,130	103,942,087	103,899,130
	201,576,195	205,858,233	201,576,195	205,858,233
Represented by:				
Due within one year (note 23)	3,775,187	3,885,454	3,775,187	3,885,454
Due after more than one year (note 24)	197,801,008	201,972,779	197,801,008	201,972,779
	201,576,195	205,858,233	201,576,195	205,858,233

Bank and other loans

A loan of £17m repayable in five equal instalments annually from 2039 to 2043 and until then interest at a fixed coupon rate of 5.2% (4.5% effective rate) is payable annually.

A loan of £20m repayable in four equal instalments annually from 2007 to 2035 and until then interest at a fixed coupon rate of 5.97%-6.02% is payable annually.

A loan of £20m repayable in four equal instalments annually from 2007 to 2035 and until then interest at a fixed coupon rate of 6.14%-6.17% is payable annually.

A loan of £10m repayable in full in a single instalment of £10m in 2039 and until then interest at a fixed coupon rate of 6.35% (6.07% effective rate) is payable annually.

A loan of £5m repayable in full in a single instalment of £5m in 2032 and until then interest at a fixed coupon rate of 4.51% is payable annually.

A loan of £10m repayable in full in a single instalment in 2044 and until then only interest at a fixed coupon rate of 5.2% (4.9% effective rate) is payable half-yearly;

All remaining loans bear interest at rates ranging between 0.90% and 6.07% at fixed and variable rates, except for loans of £8m on which interest only is repayable half-yearly and the capital in a single instalment in 2031. Bank loans are repayable on an amortised basis over varying periods between 20 and 25 years. All bank loans are secured by way of mortgages upon the deeds of properties.

Senior notes

A senior secured note is repayable in full in a single payment in 2035 and until then interest at a fixed coupon of 2.37% is payable semi-annually.

A senior secured note is repayable in full in a single payment in 2050 and until then interest at a fixed coupon of 2.81% is payable semi-annually.

A senior secured note is repayable in full in a single payment in 2055 and until then interest at fixed coupon of 2.87% is payable semi-annually.

These notes are secured by way of a mortgage upon the deeds of various properties. The figures included in the note above are net of debt issue costs of £1,057,913 (2022: £1,100,870) that will be released to the statement of comprehensive income over the life of the various notes.

Notes to the financial statements for the year ended 31 March 2023

26 Loans (continued)

Department for Communities loans

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Department for Communities				
Less than one year (note 23)	40,230	104,253	40,230	104,253
Between one and two years (note 24)	2,765	42,983	2,765	42,983
	42,995	147,236	42,995	147,236

The loans from the Department for Communities bear interest rates ranging between 9.5% and 15.25% at fixed rates and are repayable on an amortised basis (capital and interest). All DfC loans are secured by way of mortgages upon the deeds of Radius properties.

27 Housing Association Grant

Group and Association	2023	2022
	£	£
Housing Association and other grants		
At 1 April	750,258,575	744,759,061
Additions	45,598,806	10,537,007
Movement on HAG in advance	(5,235,738)	(2,087,773)
Disposals	(5,130,341)	(2,949,720)
At 31 March	785,491,302	750,258,575
Amortisation		
At 1 April	197,268,561	186,039,178
Charge for the year	11,986,741	11,969,247
Disposals	(1,150,581)	(739,864)
At 31 March	208,104,721	197,268,561
Net book value		
At 31 March	577,386,581	552,990,014
Represented by:		
Due within one year (note 23)	11,284,702	11,435,176
Due after more than one year (note 24)	566,101,879	541,554,838
	577,386,581	552,990,014

Notes to the financial statements for the year ended 31 March 2023

28 Called up share capital

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Ordinary shares of £1 each, fully paid				
At 1 April	26	25	26	25
Allotted during the year	1	2	1	2
Transfer to capital reserve	(1)	(1)	(1)	(1)
At 31 March	26	26	26	26

29 Capital reserve

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
At 1 April	273	272	273	272
Transfer from share capital	1	1	1	1
At 31 March	274	273	274	273

30 Net cash inflow from operating activities - Group

	2023	2022
	£	£
Operating surplus	13,824,354	15,280,381
Exceptional items	-	(25,000)
Difference between pension charge and cash contributions	(1,669,000)	(1,639,000)
Depreciation charge	15,929,652	15,466,291
Amortisation of Housing Association Grant	(11,986,741)	(11,969,247)
(Gain)/loss on disposal of tangible fixed assets	(1,096,402)	64,579
Movement in debtors	(639,006)	(549,703)
Movement in creditors	(1,449,189)	(1,346,477)
Movement in stock	55,551	(2,790,921)
Net cash inflow from operating activities	12,969,219	12,490,903

Notes to the financial statements for the year ended 31 March 2023

31 Analysis of net debt - Group

	1 April 2022 £	Cash flow and non cash movements £	31 March 2023 £
Cash at bank and in hand	26,981,779	(16,877,231)	10,104,548
Short term investments	267,338	1,987	269,325
Cash and cash equivalents	27,249,117	(16,875,244)	10,373,873
Debt due within one year	(3,989,707)	174,290	(3,815,417)
Debt due after one year	(202,015,762)	4,211,989	(197,803,773)
Debt	(206,005,469)	4,386,279	(201,619,190)
Net Debt	(178,756,352)	(12,488,965)	(191,245,317)

32 Reconciliation of net cash flow to movement in net debt

	2023 £	2022 £
Increase in cash and cash equivalents in financial year	(16,875,244)	(15,728,097)
Repayment of loans	4,386,279	3,958,021
Movement in net debt in the financial year	(12,488,965)	(11,770,076)
Net debt at 1 April	(178,756,352)	(166,986,276)
Net debt at 31 March	(191,245,317)	(178,756,352)

33 Housing Stock - Association

Number of units owned on 31 March	2023	2022
General needs housing	8,929	8,823
Sheltered	3,321	3,322
Supported housing (including housing with care)	1,199	1,199
Total owned	13,449	13,344

Number of units managed by (but not owned) on 31 March

Sheltered	82	84
General Needs	26	19
	108	103
Total units owned and managed at 31 March 2023	13,557	13,447

Notes to the financial statements for the year ended 31 March 2023

34 Turnover, operating costs and operating surplus - Association

Turnover, operating costs and operating surplus	2023			2022		
	Operating Turnover £	Operating Costs £	Operating Surplus £	Operating Turnover £	Operating Costs £	Operating Surplus £
Social Housing Activities (note 35)	90,735,954	78,106,485	12,629,469	86,462,910	70,704,958	15,757,952
Non-Social Housing Activities (note 35)	6,329,576	5,134,934	1,194,642	7,697,625	8,175,304	(477,679)
Total	97,065,530	83,241,419	13,824,111	94,160,535	78,880,262	15,280,273

Notes to the financial statements for the year ended 31 March 2023

35 Turnover, operating costs and operating surplus or deficit from social housing activities – Association

Social Housing Activities	General Needs Housing £	Care/Supported Housing £	Sheltered Housing £	2023 Total Social Housing £	General Needs Housing £	Sheltered Housing £	Care/Supported Housing £	2022 Total Social Housing £
<i>Income from Social Housing Lettings</i>								
Rent receivable net of service charges	44,184,682	3,951,374	11,298,583	59,434,639	41,527,398	10,887,661	3,968,135	56,383,194
Service charges receivable	2,221,373	783,188	6,077,822	9,082,383	1,977,613	5,217,348	732,308	7,927,269
Supporting People	92,701	803,548	1,724,189	2,620,438	81,285	1,413,468	952,735	2,447,488
Other Support & Care Charges	15,377	133,295	286,014	434,686	21,982	584,384	822,510	1,428,876
SMNA/Care Charges	-	9,531,914	-	9,531,914	-	-	8,710,363	8,710,363
Grant Amortisation	9,402,025	1,471,764	1,112,952	11,986,741	9,323,276	1,103,630	1,542,341	11,969,247
Other	1,318,248	99,182	-	1,417,430	507,731	1	161,768	669,500
Gross income from rents and service charges	57,234,406	16,774,265	20,499,560	94,508,231	53,439,285	19,206,492	16,890,160	89,535,937
Less voids	(1,485,175)	(1,564,943)	(722,159)	(3,772,277)	(1,140,490)	(546,657)	(1,385,880)	(3,073,027)
Net income from rents and service charges	55,749,231	15,209,322	19,777,401	90,735,954	52,298,795	18,659,835	15,504,280	86,462,910
<i>Operating Costs</i>								
Bad debts (rent and service charges)	235,587	219,342	111,253	566,182	53,711	251,426	(37,706)	267,431
Services	3,107,804	4,535,642	6,316,943	13,960,389	2,796,474	5,684,133	4,081,276	12,561,883
Supporting People	123,011	1,293,180	1,765,273	3,181,464	110,689	1,588,433	1,163,633	2,862,755
Other Support & Care Charges	98,182	6,657,238	2,093,907	8,849,327	88,346	1,884,147	6,379,089	8,351,582
Management costs	3,961,523	1,161,043	1,418,893	6,541,459	3,492,384	1,255,190	1,103,812	5,851,386
Maintenance Admin costs	1,106,758	338,841	913,587	2,359,186	1,102,045	875,444	355,650	2,333,139
Planned & cyclical maintenance	2,618,770	1,722,344	4,759,970	9,101,084	3,477,178	3,931,826	1,916,638	9,325,642
Reactive maintenance	7,189,147	1,099,129	4,001,639	12,289,915	5,172,441	2,826,174	808,189	8,806,804
Major repairs	806,270	428,126	-	1,234,396	136,879	221,835	110,737	469,451
Ground rent	1,842	1,838	17,973	21,653	10,809	1,262	936	13,007
Depreciation of social housing	12,649,858	1,446,666	1,574,110	15,670,634	11,172,480	2,233,861	1,542,902	14,949,243
Rates discount	(390,879)	(4,948)	(98,957)	(494,784)	(357,347)	(92,157)	(3,847)	(453,351)
(Gain)/loss on disposal of fixed assets	(1,103,213)	-	-	(1,103,213)	-	-	-	-
Admin costs	3,542,111	1,079,742	1,306,940	5,928,793	3,202,674	1,151,066	1,012,246	5,365,986
Total social housing expenditure	33,946,771	19,978,183	24,181,531	78,106,485	30,458,763	21,812,640	18,433,555	70,704,958
Operating Surplus/(deficit) on social housing	21,802,460	(4,768,861)	(4,404,130)	12,629,469	21,840,032	(3,152,805)	(2,929,275)	15,757,952

Notes to the financial statements for the year ended 31 March 2023

35 Turnover, operating costs and operating surplus or deficit from social housing activities – Association (continued)

Social Housing Activities (continued)	General Needs Housing £	Sheltered Housing £	Care/ Supported Housing £	2023 Total Social Housing £	General Needs Housing £	Sheltered Housing £	Care/ Supported Housing £	2022 Total Social Housing £
DFC allowances								
Management allowances	3,400,848	1,314,522	474,804	5,190,174	3,400,848	1,314,522	474,804	5,190,174
Management costs	(3,961,523)	(1,418,893)	(1,161,043)	(6,541,459)	(3,492,384)	(1,255,190)	(1,103,812)	(5,851,386)
Surplus/(deficit)	(560,675)	(104,371)	(686,239)	(1,351,285)	(91,536)	59,332	(629,808)	(661,212)
Maintenance allowances								
Planned and cyclical maintenance	3,984,832	1,540,248	556,336	6,081,416	3,984,832	1,540,248	556,336	6,081,416
Reactive maintenance	(2,618,770)	(4,759,970)	(1,722,344)	(9,101,084)	(3,477,178)	(3,931,826)	(1,916,638)	(9,325,642)
Maintenance Administration	(7,189,147)	(4,001,639)	(1,099,129)	(12,289,915)	(5,172,441)	(2,826,174)	(808,189)	(8,806,804)
Surplus/(deficit)	(1,106,758)	(913,587)	(338,841)	(2,359,186)	(1,102,045)	(875,444)	(355,650)	(2,333,139)
	(6,929,843)	(8,134,948)	(2,603,978)	(17,668,769)	(5,766,832)	(6,093,196)	(2,524,141)	(14,384,169)
Gross income from rents and service charges								
Technical				46,514,133				43,608,277
Non-Technical				34,589,927				33,288,912
Total				81,104,060				76,897,189

Notes to the financial statements for the year ended 31 March 2023

35 Turnover, operating costs and operating surplus or deficit from social and non-social housing activities – Association (continued)

Non-social Housing Activities

	2023 £	2022 £
Operating income		
Connect 24	2,818,641	2,664,660
Development Allowances	1,888,805	176,057
Affordable Home Sales	349,900	3,772,000
Staying Put (Supporting People)	413,351	384,607
Staying Put Other Income	1,529	33,663
Care Services	289,271	258,141
Other Income	568,079	408,497
Total non-social housing income	6,329,576	7,697,625
Operating costs		
Connect 24 costs	2,287,276	2,114,176
Development	1,196,119	1,177,293
Affordable Home Sales	325,756	3,446,149
Administration costs	432,031	471,343
Staying Put (Supporting People)	279,180	254,830
Care services	355,554	357,010
Depreciation of non-social housing assets	259,018	353,692
Other costs	-	811
Total non-social housing expenditure	5,134,934	8,175,304
Operating surplus/(deficit) on non-social housing	1,194,642	(477,679)

36 Pension commitments

The net pension surplus shown below under section 28 of FRS 102 deals with the accounting for employee benefits does not represent a shortfall which requires short term cash funding. The amount shown below is calculated to comply with the Financial Reporting Standard, the specific requirements of which differ from the basis on which pension liabilities are actuarially calculated for the purpose of the ongoing funding of the scheme. The Financial Reporting Standard requires:

- (i) actuarial deficiencies to be recognised immediately as a liability in the financial statements rather than being spread forward over employees' remaining service lives; and
- (ii) the actuary, in valuing the scheme's liabilities, is required to use a bond yield as the discount rate for valuing future liabilities, rather than a rate that reflects the expected return on the scheme's particular asset portfolio, with the result of an apparent increase in the present value of future longer term liabilities.

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

NILGOSC pension scheme is considered a related party of the Association. The most recent valuation was conducted as at 31 March 2023 by a qualified actuary for the purpose of the disclosures below.

Notes to the financial statements for the year ended 31 March 2023

36 Pension commitments (continued)

The major assumptions used by the actuary were:

	2023	2022	2021	2020
Rate of increase in salaries	3.00%	2.97%	2.51%	3.50%
Rate of increase in pensions in payment	2.70%	3.00%	2.80%	2.00%
Discount rate	4.70%	2.70%	2.05%	2.30%

The mortality assumptions used were as follows:

	2023 Years	2022 Years	2021 Years	2020 Years
Longevity at age 65 for current pensioners:				
- Men	21.2	21.8	21.9	21.8
- Women	25.0	25.0	25.1	25.0
Longevity at age 45 for future pensioners:				
- Men	23.2	23.2	23.3	23.2
- Women	26.0	26.4	26.5	26.4

The assets in the scheme were

	2023 £'000	2022 £'000
Equities	38,081	44,495
Property	10,663	10,372
Government Bonds	19,612	25,618
Corporate Bonds	2,856	2,282
Multi Asset Credit	12,662	13,587
Cash	6,188	4,149
Other	5,141	3,215
Total market value of assets	95,203	103,718
Present value of scheme liabilities	(69,353)	(98,417)
Unrealised asset	(25,850)	(5,301)
Net pension surplus	-	-

Reconciliation of fair value of scheme assets

	2023 £'000	2022 £'000
At 1 April	103,718	93,889
Interest income on assets	2,829	1,950
Remeasurement (losses)/gains on assets	(13,460)	5,448
Employer contributions	3,514	3,464
Member contributions	402	397
Benefits paid	(1,800)	(1,430)
At 31 March	95,203	103,718

Notes to the financial statements for the year ended 31 March 2023

36 Pension commitments (continued)

Reconciliation of present value of scheme liabilities	2023	2022
	£'000	£'000
At 1 April	98,417	104,643
Current service cost	2,768	3,275
Interest expense on defined benefit obligation	2,639	2,135
Contributions by participants	402	397
Actuarial (gains)/losses on liabilities	(33,073)	(10,603)
Net benefits paid out	(1,800)	(1,430)
At 31 March	69,353	98,417

Analysis of the amount charged to income or expenditure are as follows:

	2023	2022
	£'000	£'000
Current service cost	2,768	3,275
Curtailment cost	-	-
Net interest cost	47	185
	2,815	3,460

Actuarial losses and gains

The total amount of actuarial gains/losses recognised in other comprehensive income is a loss of £2,605,000 (2022: gain of £10,754,000).

Amounts for current and previous three years:

	2023	2022	2021	2020
	£'000	£'000	£'000	£'000
Scheme liabilities	(69,353)	(98,417)	(104,643)	(85,160)
Scheme assets	95,203	103,718	93,889	74,621
Surplus / (deficit)	25,850	5,301	(10,754)	(10,539)

The surplus arising in 2023 and 2022 has not been recognised in accordance with the Scheme rules.

37 Contingent liabilities

The accumulated amount of Housing Association Grant amortised and released to reserves as at 31 March 2023 was £208,104,721 (2022 - £197,268,561). The possibility of any reimbursement to the Department for Communities is considered to be unlikely as the housing properties are expected to continue to be made available for social housing for the foreseeable future.

38 Capital commitments - Housing Properties - Group

	2023	2022
	£	£
Contracted for but not provided in the financial statements	64,276,645	37,091,075

The Group anticipates that this expenditure will be funded by a combination of Housing Association Grant from the Department for Communities and private finance, both external and internal.

Notes to the financial statements for the year ended 31 March 2023**39 Operating lease commitments**

At 31 March 2023 the Association had the following future minimum lease payments under a non-cancellable operating lease for motor vehicles for each of the following periods:

	2023	2022
	£	£
Within one year	67,744	26,433
Between two to five years	43,166	79,298

40 Related party transactions

The company has taken advantage of the exemption contained in Paragraph 33.1A of FRS102 not to disclose any transactions with its subsidiary undertakings on the grounds that they are all 100% subsidiaries and these are consolidated financial statements.

The company is also an admitted body to the Northern Ireland. Local Government Officers' Superannuation Committee (NILGOSC) and makes contributions on behalf of those of its employees who are in the scheme.

Details of the subsidiaries are disclosed in Note 18.