

CHOICE HOUSING IRELAND LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969: IP000408

Registered Housing Association: R56

Registered Charity: NIC100095

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

CONTENTS

	Page
Directory	2
Statement of Board of Management’s Responsibilities in Respect of the Report of the Board of Management, the Strategic Report and the Financial Statements	4
Report of the Board of Management and the Strategic Report	5
Board of Management’s Statement of Internal Financial Controls	21
Independent Auditor’s Report to Choice Housing Ireland Limited	22
Group and Parent Income and Expenditure Accounts	26
Group and Parent Statements of Other Comprehensive Income	28
Group and Parent Balance Sheets	29
Consolidated Statement of Changes in Equity	30
Parent Statement of Changes in Equity	31
Consolidated Cash Flow Statement	32
Notes forming part of the Financial Statements	33

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

DIRECTORY

(Who served during the year)

BOARD OF MANGEMENT (DIRECTORS)

Mr J Higgins (Chair)	Mr P Leonard
Mr C McAreavey (Vice Chair)	Ms C Scales
Mr R Hawe	Mrs C Young
Ms J Donald	Mr M McKinstry
Mrs M Donnelly	Mr D Toner
Mrs H Harrison	
Ms S Wylie	

COMPANY SECRETARY Mr L Jackson

GROUP SENIOR MANAGEMENT TEAM

Mr M McDonnell	(Group Chief Executive)
Mr M Rafferty	(Group Director of Finance & Resources)
Mr J Anderson	(Group Director of Development)
Mrs C Ervine	(Group Director of Tenant & Client Services)
Mr L Jackson	(Group Director of Corporate Services)
Mr W Farrelly	(Group Director of Asset Services)

REGISTERED OFFICE Leslie Morrell House, 37-41 May Street, Belfast BT1 4DN

BANKERS	AIB	31-35 High Street, Belfast BT1 2AL
	EIB	98-100 Boulevard Konrad Adenauer, Luxembourg
	Barclays Bank	Donegall Square North, Belfast BT1 5LU
	Ulster Bank	Donegall Square East, Belfast BT1 5UB
	Bank of Ireland	Donegall Square South, Belfast BT1 5LR
	Housing Finance Corp	107 Cannon Street, London EC4N 5AF
	Danske Bank	Donegall Square West, Belfast BT1 6JS
	Nationwide	Kings Park Road, Northampton, NN3 6NW

EXTERNAL AUDITORS Sumer Auditco NI Limited, 4th Floor Glendinning House, 6 Murray Street, Belfast, BT1 6DN

INTERNAL AUDITORS TIAA, Artillery House, Fort Fareham, Newgate Lane, Fareham, PO14 1AH

SOLICITORS EDG Legal, 40 Linenhall Street, Belfast BT2 8BA

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

DIRECTORY (continued)

At the date of signing these accounts the following individuals were serving on the various subsidiary boards and committees within the Group:

Choice Services (Ireland) Limited	Maple And May (Homes) Ltd.	Maple And May Ltd.
D Toner (Chair) T Rea T Nelson M Adrain M Gillespie S Lynch L Jackson (Secretary)	P Leonard (Chair) H Harrison (Vice Chair) G Millar R McConnell R Hawe J Roden L Jackson (Secretary)	P Leonard (Chair) H Harrison (Vice Chair) G Millar R McConnell R Hawe J Roden L Jackson (Secretary)
Tenant & Client Services Committee	Development & Assets Committee	Finance Committee
C Young (Chair) Ms J Donald (Vice Chair) K Bailey P Convery C Gibson R Murray R Hamill L Jackson (Secretary)	P Leonard (Chair) H Harrison (Vice Chair) R Hawe R McConnell J Roden G Millar L Jackson (Secretary)	J Higgins (Chair) D MacAteer (Vice Chair) M McKinstry S Elliott E Hartin L Jackson (Secretary)
Nominations & Governance Committee	Audit & Risk Committee	
C McAreavey (Chair) J Higgins (Vice Chair) M Donnelly M McDonnell (CEO) L Jackson (Secretary)	C Scales (Chair) M Donnelly (Vice Chair) G Walsh B Rooney D Tate I O'Doherty L Jackson (Secretary)	

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

STATEMENT OF BOARD OF MANAGEMENT'S RESPONSIBILITIES IN RESPECT OF THE REPORT OF THE BOARD OF MANAGEMENT, THE STRATEGIC REPORT AND THE FINANCIAL STATEMENTS

The Board of Management are responsible for preparing the Report of the Board of Management, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Societies law requires the Board of Management to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Co-operative and Community Benefit Societies law the Board of Management must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent and of the income and expenditure of the Group and Parent for that year. In preparing these financial statements, the Board of Management are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Parent's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or Parent or to cease operations or have no realistic alternative but to do so.

The Board of Management are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Parent's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent and enable them to ensure that the financial statements comply with the requirements of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, Article 19 of the Housing (Northern Ireland) Order 1992, Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993, the Charities Act (Northern Ireland) 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015. They are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Board of Management are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



Joe Higgins, Director



Ciaran McAreavey, Director

21 August 2024

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT

The Board of Management present their report and the audited financial statements of Choice Housing Ireland Limited (the “Association” or “Parent”) and its subsidiaries (together the “Group”) for the year ended 31 March 2024.

Principal Activity

The Association is a public benefit entity administered by a Board of Management and is involved in the development and management of affordable rented accommodation.

The Association is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP000408) and is a Registered Housing Association (R56), providing housing in Northern Ireland for people in need.

The Association is a registered charity under the Charities Act (NI) 2008 (Charity No. NIC100095).

The Group provides low-cost accommodation through its registered housing association: Choice Housing Ireland Limited (“CHI” or “the Parent”). Additionally, its subsidiaries provide the following services:

- Maple And May Ltd (“M&M”) provides accommodation in the private rented sector;
- Maple And May (Homes) Ltd (“MMH”) provides affordable home ownership;
- Choice Services (Ireland) Limited (“CSL”) provides maintenance services to the Group and to a joint venture Comhar Facilities Management Limited.

Board of Management, Shareholders and Officers

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

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.

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

Our Vision, Mission and Ambition

The Group’s strategy to 2027, sets a clear vision for the organisation to make a real and lasting difference to the lives of our tenants and their communities.

- Our Mission is ‘to enrich the lives of our tenants and communities through the provision of great homes and services.’
- Our Vision to 2027 is ‘to excel in everything that we do in the eyes of our customers, partners and staff.’
- Our Ambition is ‘to empower our staff and partners to make a positive and sustainable difference by: increasing the supply of high quality and affordable homes; ensuring access to excellent support services; enabling our communities to flourish; and making best use of our collective talent and resources.’

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

Business Plan 2024/25

A summary of Group 'Headlines' for the 2024/25 business planning period, encompasses:

- To ensure that the tenant is at the centre of everything that we do;
- To maintain ambitious new build targets, leading on shared and mixed tenure housing;
- To progress the journey towards decarbonisation, balancing investment with affordability for tenants;
- To enhance our digital customer, staff capabilities and data intelligence, reporting;
- To further develop our employer brand and offering in a competitive labour market;
- To successfully complete our objectives for the VHE and Killaire programmes;
- To ensure long-term funding is in place to support our strategic goals;
- To agree and progress plans for a combined HQ office; and
- To grow our subsidiaries synergistically to support the priorities of Choice Housing.

Providing Great Homes

- To ensure a development programme which delivers target completions, starts and pipeline;
- To launch the new Choice design guide to reflect development priorities and standards;
- To successfully complete the pilot mixed tenure schemes with any lessons learned;
- To remove delivery 'barriers' on a number of legacy development projects;
- To attract a new housebuilder to the social sector through a 'Design and Build' partnership;
- To secure another 'Housing for All' scheme designation for a new SHDP project;
- To maintain 'zero tolerance' on matters relating to tenant and staff health & safety;
- To increase the average EPC rating across our homes, complete retrofit pilots and progress a 'landmark' new build scheme with sector-leading sustainability credentials;
- To complete a 'scope 3' lifecycle emissions footprint;
- To meet the required investment in and coverage of our planned maintenance programme;
- To improve quality of stock data and reporting to inform a new Asset Management Strategy;
- To complete the planned refurbishment of the former VHE portfolio; and
- To complete the defects replacement programme at Killaire Wood.

Supporting Communities to Thrive

- To deliver our Community Development, Tenant Engagement and Good Relations plans and achieve external 'Tenant Participation' accreditation;
- To complete the re-housing of tenants from Donegall Street;
- To secure 'Peace Plus' consortium funding and deliver associated thematic initiatives;
- To improve economic resilience and well-being of our communities through targeted investment and development initiatives;
- To ensure tenants receive a more flexible and accessible response repairs service;
- To enable Choice Services to generate efficiencies and innovation in our PMP;
- To continue to improve our housing management services around allocations, anti-social behaviour, change of tenancy, income recovery, waste management, etc;
- To support tenancy sustainment through in-house services and external partnerships;
- To use customer and staff feedback to drive continuous improvement in our services;
- To review our sheltered and supported housing priorities and partnership working;
- To promote the benefits to society of our work at Choice Group; and
- To agree and implement a new Group Communications Strategy.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

Business Plan 2024/25 (continued)

Empowering our people

- To implement improvement actions arising from the external review of Killaire;
- To agree and implement a new Group ICT Strategy with potential replacement of systems;
- To expand the digital offering for customers, partners and mobile working for staff;
- To continue to simplify the customer journey and expand our communication channels;
- To undertake annual survey of staff and implement improvement actions arising;
- To implement recommendations arising from the current review of our Reward strategy;
- To expand the Choice apprenticeship programme as a means of building our ‘talent pipeline’;
- To refresh our employer branding to enhance recruitment and retention;
- To make better use of data to improve decision-making through Power BI reporting;
- To ensure funding in place to meet medium-term liquidity and development aspirations;
- To develop the next Value for Money Strategy with a focus on affordability through efficiency and service transformation (including review of FM in communal schemes);
- To implement improvements in our procurement and contract management protocols, with a greater focus on social value; and
- To review rent policy for existing tenants across our portfolio.

Detailed business plans for each subsidiary have been approved by their Board and Group Board. A summary of key imperatives for 2024/25 for each subsidiary is as follows:

Choice Services

- To fill current trade vacancies to ensure appropriate staff resources are available;
- To recruit a commercial Quantity Surveyor and Supervisor to support delivery of Choice PMP;
- To enhance management systems, processes and interface between Active H & Connect;
- To focus on value for money in response repairs service delivery to Choice Housing;
- To support Choice Housing on sustainability, technology and community investment;
- To work with Choice Housing colleagues to generate further efficiencies, improved processes, effective reporting and strong financial management; and
- To achieve the target profits which can be used to support the Group’s objectives.

Maple & May

- To agree and implement the new 3-year strategy;
- To complete and allocate current pipeline of mixed tenure pilot schemes;
- To proactively transition the portfolio to reflect strategic goals, including targeted disposals;
- To support the emergence of new affordable housing products;
- To deliver further efficiencies in day-to-day operations; and
- To achieve the target profits which can be used to support the Group’s objectives.

Maple & May (Homes)

- To agree and implement the new 3-year strategy;
- To complete sale of Phase I affordable houses at Rosses Gate;
- To complete sale of Phase I and progress Phase 2 at Hillsborough Road, Dromara;
- To resolve outstanding issues at Park Avenue Heights; and
- To achieve the target profits which can be used to support the Group’s objectives.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

Operational performance during the year

This section describes the operational performance of the Parent during the year. Targets are set for key performance indicators and they are used in the managing of performance, and in setting the strategies for continuous improvement. Key performance indicators are also used by the Department for Communities to assess the performance of each association against its peer group and the sector in total.

Response maintenance service

The table below shows the Parent's performance in completing works orders within target timescales:

Works order performance - % completed within target

Priority	2024	2023
Emergency (24 hrs)	93%	94%
Urgent (4 days)	95%	91%
Routine (20 days)	95%	94%

Overall works order performance at 94.5% has exceeded the 2023/24 Business Plan target of 90.0% and is marginally higher than the 2022/23 out-turn (which was 93.2%).

Planned maintenance programme

In 2023/2024, £14.6 million was spent by the Parent on the planned maintenance programme (capital expenditure) (2022/2023: £6.8 million). The most significant projects completed were in relation to the Metropole which was a sheltered scheme replacing bathrooms, kitchens, windows and doors and upgrading heating plus a number of general needs schemes having replacement kitchens. There was also revenue planned and cyclical maintenance expenditure of £3.2 million (2022/23 £2.4 million).

Arrears

The Parent has a specialist income recovery team which focuses on arrears management and performance and in particular the area of past tenant arrears. Whilst the timing and effect of Welfare Reform are still unknown, the income recovery team continue to dedicate their time to the collection of rents. The table below shows the arrears balances of the Parent after deduction of expected benefits, and the percentage of rental income. The level of the arrears has increased due to the wider impact of the cost-of-living crisis.

	2024	2023
	£'000	£'000
Current tenant arrears of Parent (after deduction of expected benefits)	£2,469 (4.7%)	£1,826 (4.0%)
Past tenant arrears	£573 (1.1%)	£616 (1.3%)
Total arrears at year end	£3,042 (5.7%)	£2,442 (5.3%)

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

Voids

The proactive management of voids is regarded as a key issue. A specialist allocations team aims to improve performance in this area. Included within its terms of reference is:

- Arrangements for offers of accommodation;
- Marketing;
- External liaison with agencies;
- Financial incentives;
- Strategic approach including voids toolkit; and
- Voids audits by housing managers.

Rent loss through voids by the Parent in the financial year was £1,278k representing 1.9% of gross rent receivable (2022/2023: £1,428k and 2.2%). Overall voids have reduced by 79 when compared to the same period last year. Housing and Maintenance voids in particular have seen a large reduction. This is as a result of void works being completed in properties quicker, with waiting tenants moving in as soon as void works are complete. A summary of the voids at the year-end are set out in the table below:

	Mar-24	Mar-23
Housing voids units	84	121
Maintenance voids units	79	107
Unlettable voids units	64	61
VHE voids units	75	92
Total	302	381

New developments

The numbers of homes and bed spaces of the Parent in new schemes are shown below:

	2024	2023
Units completed	231	315
Units started	243	433

There was expenditure of £52.0m (2022/23: £53.0m) by the Association during the year on new developments. At 31 March 2024 there were 22 schemes on site comprising 1,148 units including, 146 units at Minorca Drive, Carrickfergus, 252 units at Rosses Gate and 90 units at Hillsborough Old Road, Lisburn. The Association completed 231 units including 90 units at the Park Avenue Hotel site, Belfast, 49 units at Old Eglisk Phase 1, Dungannon & 23 units at Lisburn Road, Belfast.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

Staff

One of the key performance indicators in relation to staff management is the percentage of working days lost through sickness absence. In 2023/24 the Parent's sickness absence rate was 3.5% (2022/23: 5.3%).

Complaints

A total of 51 formal complaints were registered by tenants of the Parent during the year, compared to 54 for the previous year. A breakdown of complaints is analysed as follows:

	2024	2023
Maintenance/Repairs	30	31
Anti-Social Behaviour	5	9
Allocations	0	1
Damp/mould	5	-
Staff	5	4
Rent & Arrears	1	1
Heating charges	1	2
Other	4	6
Total	51	54

45 of the complaints were satisfactorily resolved at the first stage of the Parent's procedure. 6 of the complaints received progressed to the second stage (2022/23: 5).

Choice Services Centre

Choice Services Centre is a specialist in-house contact centre tasked with providing a responsive and accessible service to tenants. The following table shows its performance levels:

	2024	2023
Total calls received	103,320	118,517
Resolved at first contact	75.00%	72.00%
Tasks resolved by officer grade staff	86.00%	87.00%
Advisor quality assessment	92%	N/A

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

Streamlined Energy and Carbon Report (SECR)

Details of the Parent’s energy consumption and emissions for the period 1 April 2023 to 31 March 2024 have been reported in the SECR and published on the Choice website. The required FRS102 extracts from this report are set out below.

Methodology- Carbon Emission Factors used in calculations are the ‘Government conversion factors for company reporting of greenhouse gas emissions’ Annual factors for 2023 published on 28/06/2023 have been used in the calculations of carbon emissions for the SECR report.

In line with the scope of the SECR report, the data from the sources listed above were categorised into Scope 1, Scope 2 and Scope 3 emissions. All data was received from the Choice Energy team in May and June 2024.

In 2023/24 Choice continued to progress actions to deliver on their Sustainability & Energy Strategy (2022-2025). New homes have continued to be developed to high standards and Choice have commenced plans to develop a landmark new housing development to enhanced energy, environmental and biodiversity standards. Targets have been set to improve EPC data, by increasing the average energy efficiency rating of their housing stock, and to target properties with a Band E-G EPC rating.

Retrofitting of homes has continued, including measures such as insulation improvements, heating upgrades and lighting replacements. Choice have a target to invest £250,000 over three years on innovative technologies, which has included trialling of remote monitoring technologies for their solar PV portfolio, the trial of remote heating controls, and software to support energy retrofits and management of energy supply contracts.

Information Required	Current Reporting Year UK and Offshore	Previous Reporting Year UK and Offshore
Energy consumption used to calculate emissions: /kWh [mandatory]– optional to provide separate figures for gas, electricity, transport fuel and other energy sources	Natural Gas: 14,479,347 kWh Burning Oil (28 Sec Oil): 1,982,407 kWh Gas Oil (35 sec Oil): 9,644 kWh LPG: 32,873 kWh Company-owned Vans: 1,878,632 kWh Electricity: 5,305,835 kWh Non-company-owned vehicles: 383,264 kWh Total: 24,072,002 kWh	Gas: 14,948,408 kWh LPG: 152,312 kWh Heating Oil: 2,017,384 kWh Company-owned vans: 1,809,596 kWh Electricity: 5,524,434 kWh Non-company owned vehicles: 330,338 kWh. Total: 24,782,472 kWh
Emissions from combustion of gas (tCO2e)	2,648.69 tCO2e	2,728.7 tCO2e
Emissions from combustion of Heating Oil (tCO2e)	488.85 tCO2e	497.8 tCO2e
Emissions from combustion of Gas Oil tCO2e (Scope 1)	2.51 tCO2e	0 tCO2e
Emissions from combustion of LPG tCO2e (Scope 1)	7.05 tCO2e	32.7 tCO2e
Emissions from business travel in company owned vehicles tCO2e (Scope 1)	474.20 tCO2e	451.6 tCO2e
Emissions from purchased electricity tCO2e (Scope 2, location based)	1,098.70 tCO2e	1,068.3 tCO2e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel tCO2e (Scope 3)	92.92 tCO2e	81.6 tCO2e
Total gross tCO2e based on above	4,812.92 tCO2e	4,860.7 tCO2e
Intensity ratio: tCO2e gross figure based on mandatory fields above/ e.g. £100,000 revenue	0.42 tCO2e/tenancy	0.42 tCO2e/tenancy
	7.94 tCO2e/ energy supply	8.94 tCO2e/ energy supply

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

Energy and emissions report (Continued)

Information Required	Current Reporting Year UK and Offshore	Previous Reporting Year UK and Offshore
Energy Efficient Actions detailed results	<p>Continued education and support for staff</p> <ul style="list-style-type: none"> • Existing (variable) energy procurement contracts were extended to take advantage of reducing wholesale prices, with regular invoice validation in place, supported by a continued trial of a billing management system. • Investment in fabric improvements, lighting and heating upgrades • Upgraded heating controls in a number of communal heating schemes, along with upgrading to more efficient boilers through their assets programme at various schemes and individual properties. • Choice commenced a pilot to retrofit of a small number of properties to a much higher standard, using the principles of PAS2035, with works anticipated to be completed in 2024/25 • Improvements in recent years have meant that only around 70 properties are now known to have an EPC rating of Band E or F (with no known Band G properties). An increased number of EPCs were carried out, with data now available for around 85% of their housing stock. • Choice supported NI Energy Week in Autumn 2023, with daily information provided on their intranet, website and via social media, and training provided to a number of staff. <p>A competition was held to encourage colleagues to 'Switch & Save', with an estimated saving of over £60,000 if all staff took this step.</p> <ul style="list-style-type: none"> • Choice revised and relaunched their tenant energy booklet. • Choice also operates a large solar PV portfolio, managing around 400 systems; offsetting carbon emissions and making significant energy savings by supplying electricity to a number of housing schemes. During this reporting period around 223,000 kWh of renewable electricity was exported to the electricity grid. 	

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

Community Investment

As a social purpose organisation, Choice has a key role to play not only in providing homes, but also in supporting communities to thrive through investing in our communities. We have a history of providing a variety of services for our tenants that can broadly be understood as ‘Community Investment’. This is a key way that we, as a housing association, differentiate ourselves from other landlords, and is central to how we demonstrate our social purpose. We are utilising the UK Social Value Bank (‘UKSVB’), developed by HACT and Simetrica to measure the impact of our Community Investment activity. In 2023-24, there were nine initiatives for which we could clearly identify the costs of delivery and subsequent impact on tenants and wider community.

In the reporting year Choice spent £975,061 on nine initiatives generating £8,685,860 of additional Social value. The estimated Gross Value Added to the Northern Ireland economy through Choice’s business activity is GVA £71,877,451 sustaining an estimated 1,243 jobs throughout the supply chain.

Our ‘Community Investment’ is an essential commitment, and we deliver this in a range of support services. Economic Resilience and Health and Well-being are the two themes under which community investment activities are considered for funding. In the year 2023-24, Choice partnered with 7 organisations to deliver £86,420 of investment. Details of the initiatives are listed below.

Economic Resilience

The Rio Ferdinand Foundation (RFF) Community Programme

Our partnership with the RFF continues to grow and, following the success of the pilot programme in South and East Belfast, we invested £59,000 to keep the South & East Belfast programme running and to contribute to a new programme in Derry~Londonderry for 12 months.

To date 120 young people have engaged with the new programme and there are weekly sports sessions delivered in the Bogside, Cityside and Waterside areas to build community relations and health and wellbeing outcomes. Outreach programmes are engaging more young people and ‘Dads and Lads’ and ‘Mothers and Others’ cross-generational health and wellbeing projects are being delivered on a cross-community basis. Other activities include youth leadership accredited training programmes, employability events and a young women’s youth leadership programme.

Choice are also partners in an International Fund For Ireland cross-border initiative with the PSNI, An Garda Síochána and Oaklee. The Beyond The Ball project brings young people together to build skills, share learning and earn qualifications to deliver social action and employability outcomes. Choice do not contribute financially to the IFI-funded programme.

Choice Housing Scholarships

During the year, Choice also continued to work with Queens University and Ulster University to provide financial support to students facing financial, social or logistical barriers to furthering their education through its scholarship programme. Over the course of the five year programme, Choice provided 30 scholarship prizes of £1,000 presented annually to students who have the ability to attend university, but who are least likely to progress to higher education and enables them to fulfil their potential.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

Brian McKenna Student Placement Programme (incorporating the Brian McKenna Prize)

Brian McKenna, who passed away in February 2019, was a member of the Choice team for more than twenty years and, during his time with the organisation made a huge contribution to the lives of tenants, colleagues, and the communities he worked in. As a board member of the Voice of Young People in Care (VOYPIC), Brian was committed to working to improve the lives and opportunities for young people both professionally and personally. In memory of Brian, the 2023-24 student placement programme offered six students the opportunity to work for a year in the ICT, Assets, Finance and HR departments. During their time with Choice they receive support from a dedicated line manager who guides them as they develop skills aimed at preparing them for employment, through practical learning and real time problem solving. Students earn a living wage during the year's placement and the opportunity to win payment of their final year's tuition fee for submitting the winning entry in a business innovation programme.

Overlapping Themes Initiatives

Street Soccer NI – Four Nations Challenge Cup

Choice have supported Street Soccer NI (SSNI) on a number of occasions to attend the Homeless World Cup. SSNI provide programmes that tackle homelessness, unemployment, addiction and mental health issues. Choice have supported SSNI for a number of years and this year the Homeless World Cup returned after a four year absence. Choice funding helped towards travel costs, kit, training camp, passports, visas and more. SSNI took a men's team of eight players. All players went through five weeks of trials and training in the lead up to the event. Each player was supported on a one to one basis to make positive changes in their lives including finding employment and accessing housing. The team finished in eighth place overall and the goalkeeper, Jonny Holland, picked up 'Best Goalkeeper of the World Cup' and has signed for Ballymoney United. He continues to volunteer with SSNI supporting vulnerable adults and homeless people and has started a new job.

Health and Well-being

USPCA – Community Partnership

Choice partnered with USPCA to introduce a programme for tenants relating to animal welfare, community engagement and education. The programme spanned 6 months and reached over 200 tenants through workshops and community events. A number of cases of irresponsible pet ownership and welfare concerns were reported to the USPCA as a result of this engagement. The CDM reported that the collaboration "significantly contributed to advancing animal welfare, responsible pet ownership, community engagement, and promoting education."

Women's Aid Conference Sponsorship

A small donation was made to help sponsor Belfast/Lisburn WA conference. The aim of the conference was to keep the matter of violence against women and girls, including domestic abuse specifically, in the public consciousness constantly and not just following a tragic event such as the murder of a woman.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

Financial performance

Income and expenditure

The table below provides a summary of the Group Income and Expenditure account.

	2024	2023
	£m	£m
Turnover	82.6	95.0
EBITDA ¹	30.1	19.9
Surplus for the year before exceptional items	14.9	18.0
Exceptional loss	-	(16.4)
Surplus for the year after exceptional items	14.9	1.6

The exceptional items in 2023 refer to the deconsolidation of the Republic of Ireland subsidiaries, Oaklee and Acorn which are treated in the Group results as a disposal of their net assets as at 31st March 2023.

Allowing for the impact of the deconsolidation of Oaklee and Acorn, Group turnover has increased by 7.0% reflecting an increase in units let and rental increases of 7.1% applied during the year.

¹ EBITDA for the Group is calculated as follows:

	2024	2023
Ref	£000	£000
Surplus for the year	14,565	1,467
Depreciation through I&E	17,560	20,671
Amortisation through I&E	(11,235)	(13,376)
Loss on disposal of major repairs	719	1,306
Tax	375	130
Interest payable	9,219	12,370
Interest receivable	(1,143)	(2,641)
Adjusted EBITDA	30,060	19,927

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

The Core Performance and Cashflow for the Parent is set out in the tables below.

	2024 £000s	2023 restated £000s
Gross Rent	51,857	48,587
Operating Costs – CORE	(26,507)	(25,905)
Operating Margin – CORE	25,350	22,682
	49%	47%
Planned Maintenance Programme (PMP) Capex	(14,669)	(6,789)
PMP Revenue	(838)	(185)
Net Interest	(6,717)	(6,361)
Other	(887)	(118)
Net Cashflow before discretionary/non-recurring	2,239	9,229
Discretionary and Non-Recurring Items	936	-
Net Cashflow after discretionary/non-recurring	3,175	9,229

Real Rent Per Unit Per Annum (£)	4,478	4,264
Real Operating Costs Per Unit Per Annum (£)	2,289	2,274
Real PMP Per Unit Per Annum (£)	1,267	596
Net Interest Per Unit Per Annum (£)	580	558
Average Units	11,581	11,394

Assets and liabilities

The Group is in a strong financial position at the year-end, as shown by the following summary:

	2024 £m	2023 £m
Fixed and non-current assets	1,033.5	968.1
Net current assets/(liabilities)	(56.1)	(7.7)
Non-current liabilities	(797.6)	(792.7)
Net assets	179.8	167.7

Total fixed assets have increased to £1,028.2m (2023: £961.4m) due to the completion of a number of large housing schemes during the year. There were also 37 properties sold to tenants under the Statutory House Sales Scheme. The Group closely monitors its liquidity position in line with its prudent treasury policy and holds sufficient cash and available banking facilities to meet all near-term liabilities. At the balance sheet date, the Group had committed, but undrawn facilities of £94.0m (2023: £73.0m).

Cashflows

During the year the business generated net cash-flow from operating activities of £46.9m (2023: £33.6m) and repaid existing borrowings of £6.8m (2023: £55.3m).

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

Loan covenants

External private finance is raised by the Parent and the financial covenants are in respect of the financial performance of the Parent for all loans except EIB where the covenants are in respect of the Group performance. The covenant ratios are as follows:

Ratio compliance	Requirement	Actual	Basis
Interest cover	>1.05:1	3.89 : 1	Parent
Interest cover	>1.10:1	3.46 : 1	Group
Interest cover (consecutive years)	>1.20:1	3.68 : 1	Parent
Interest cover (consecutive years)	>1.20:1	3.20 : 1	Group
Gearing	<50%	35%	Parent
Gearing	<60%	35%	Group

The Parent and Group were fully compliant with these covenants during the year, as shown below:

Interest cover	Parent		Group	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Adjusted EBITDA ²	26,924	25,146	27,918	34,746
Net Interest	6,915	6,543	8,076	9,729
Interest Cover ratio	3.89	3.84	3.46	3.57
Minimum required	1.05	1.05	1.10	1.10

² Adjusted EBITDA is calculated as follows:

	Ref	Parent		Group	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Operating Surplus	<i>I&E</i>	19,916	18,458	20,874	26,145
Depreciation through I&E	<i>Note 6</i>	17,524	16,766	17,560	20,671
Amortisation through I&E	<i>Note 6</i>	(11,235)	(11,384)	(11,235)	(13,376)
Loss on disposal of major repairs	<i>Note 6</i>	719	1,306	719	1,306
Adjusted EBITDA for loan covenant purposes		26,924	25,146	27,918	34,746

Gearing	Parent		Group	
	2024	2023	2024	2023
	£m	£m	£m	£m
Gross debt	300	307	307	314
Reserves ³	868	858	870	861
Gearing (%)	35%	36%	35%	36%
Maximum Allowed	50%	50%	60%	60%

³ Parent and Group reserves are calculated by aggregating capital and reserves, Housing Association Grants ('HAG'), other capital grants, pension assets/liabilities and financial instruments measured at fair value.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

Treasury policy and capital structure

The Group has a formal detailed treasury management policy which is approved by the Board. The policy sets out investment policies, borrowing policies, liquidity policies, interest rate management policies and treasury management procedures. The policy provides that no more than 50% of outstanding debt will be on a floating rate basis.

At the balance sheet date all drawn borrowings from EIB, DfC and a substantial proportion from AIB are fixed rate borrowings. 75% of the borrowings from Barclays are hedged against interest rate volatility. The loan and bond with THFC are on a fixed rate basis. Counterparty risk is mitigated by closely monitoring credit ratings and restricting deposits to £10m. Revolving credit facilities are on a floating rate basis.

The Group has established and maintains strong relationships with a number of banks and financial institutions to facilitate future funding requirements and to ensure a balanced loan portfolio. At the balance sheet date, the Group had gross debt of £307m (2023: £314m), 10% (2023: 5%) of which is on a floating rate basis and cash (including cash deposit balances) of £15m (2023: £35m). This combined with undrawn, committed facilities, will meet current development funding requirements. The Group generated cash flows from operations of £46.9m (2023: £33.6m) and paid interest of £9.3m (2023: £12.2m).

Management of risk

Risk identification and assessment

As the Group's objectives are established and updated, any risks that may prevent their achievement are identified and assessed in terms of their impact on the organisation and their likelihood of occurrence. This activity is carried out at appropriate levels throughout the Group.

Major Risks

There was one "Red" residual risk which was added in January 2024.

The red risk relates to the large number of remedial repairs at our Killaire Wood scheme. In accordance with our risk management policy, an update on progress in relation to this risk is presented to each meeting of both the Board and the Audit & Risk Committee.

Audit

The Board of Management has established an Audit and Risk Committee with clearly defined terms of reference. The main functions of the Audit and Risk 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 and Risk 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 internal control observations identified during the year-end audit.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

Effectiveness of control mechanisms

For those risks which are identified as being the most significant for any part of the Group, the existing control environment is assessed to establish ways in which it can be improved. Areas identified for improvement will be regularly followed up until action points are fully addressed. Where a view is formed that the Group cannot exercise adequate control over the relevant risk (for example due to external influences) then the relevant strategic objective will be revisited to establish whether or not it can be amended to reduce risk and, if not, whether the level of risk is acceptable.

Results for the year

The Group's surplus after tax and after exceptional items for the year was £14.6m (2023: £1.5m).

Donations

The Group and Parent made charitable donations of £88k during the year (2023: £48k). The Group and Parent made no political donations nor incurred any political expenditure during the year (2023: nil).

Employee Involvement

The Group continues to regard communication with its employees as a key aspect of its policies. Information is given to employees about employment matters and about the financial and economic factors affecting the Group's performance through management channels, quarterly in-house magazines and attendance at internal seminars and training programmes.

Employment of Disabled People

The Group is committed to providing equal opportunities to employees. The employment of the disabled is included in this commitment and the recruitment, training, development and promotion of disabled people are based on the aptitudes and abilities of the individual. Should employees become disabled during their employment, every effort will be made to continue their employment and, if necessary, appropriate training will be provided.

Supplier Payment Policy

The Group follows the Better Payment Practice Code for all suppliers. The four principles of the code are: to agree payment terms at the outset and stick to them; to explain payment procedures to suppliers; to pay bills in accordance with any contract agreed with the supplier (or as required by law); and to tell suppliers without delay when an invoice is contested and then settle disputes quickly.

Future Performance

The Group's future performance and financial risks will be affected by government policy, the economic environment, internal growth and efficiency initiatives. The Group has adapted its strategy to deal with the effects of the cost of living crisis, which can be evidenced through updated business plans and stress-testing. The Board consider the Group to have strong potential future opportunities.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Report of the Board confirm that, so far as they are each aware, there is no relevant information of which the Group's auditors are unaware; and each Director has taken all the steps necessary that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

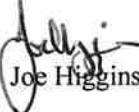
CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

REPORT OF THE BOARD OF MANAGEMENT AND THE STRATEGIC REPORT
(continued)

Auditor

In July 2024, our previous external auditors, ASM (B) Ltd, transferred all their external audit contracts to Sumer Auditco NI Limited. The Board has agreed to a new external audit contract with Sumer Auditco NI Limited.

By order of the Board


Joe Higgins (Chair)
21 August 2024

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

BOARD OF MANAGEMENT'S STATEMENT OF INTERNAL FINANCIAL CONTROLS

The Board acknowledges that it has the ultimate responsibility for ensuring that the Group has in place a system of controls, appropriate for the various business environments in which it operates. These controls are designed to give reasonable assurance about:

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

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

- There are formal policies and procedures in place (including the documentation of key systems and rules that relate to the delegation of authorities) which allow the monitoring of controls and which seek to prevent the unauthorised use of the Group's assets;
- Experienced staff, who are suitably qualified, are responsible for important business functions, and are subject to annual appraisal procedures set up to maintain high standards of performance;
- Regular management accounts are prepared promptly which provide relevant, reliable and up-to-date financial information, and significant variances from budgets are investigated as appropriate;
- All significant initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant committees that are controlled by Board members;
- The Board's Audit & Risk Committee reviews reports (from management, and from both internal and external auditors) so that it may have reasonable assurance that control procedures are in place and are being followed. These reviews include a general review of the major risks facing the Group;
- The Audit & Risk Committee makes regular reports to the Board; and
- Formal procedures have been established for instituting action needed to correct weaknesses identified in the above reports.

The Board is satisfied that there have been no material losses, contingencies or uncertainties that require disclosure in the financial statements as a result of weakness in the internal financial controls.

By order of the Board


Joe Higgins (Chair)

21 August 2024

Independent auditors' report to the members of Choice Housing Ireland Limited

Opinion

We have audited the financial statements of Choice Housing Ireland Limited (“the Association”) and its consolidated undertakings (“the Group”) for the year ended 31 March 2024 which comprise: the Consolidated and Association Income and Expenditure Accounts, the Consolidated and Association Statements of Other Comprehensive Income, the Consolidated and Association Balance Sheets, the Consolidated and Association Statements of Changes in Equity and the Consolidated Cash Flow Statement and the related notes, which include a description of the significant accounting policies.

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

In our opinion, the Consolidated and Association financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the auditors’ responsibility for the audit of the financial statements section of our report.

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group

INDEPENDENT AUDITOR'S REPORT TO CHOICE HOUSING IRELAND LIMITED

(continued)

or the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

We have nothing to report in this regard.

Under the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969) are required to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or

INDEPENDENT AUDITOR'S REPORT TO CHOICE HOUSING IRELAND LIMITED *(continued)*

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the Association; or
- the Association's financial statements are not in agreement with the accounting records.

We have nothing to report in this regard.

Responsibilities of the Board of Management

As explained more fully in the Board of Management's Statement of Responsibilities on page 4, the Board of Management is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Board of Management is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We considered the opportunities and incentives that may exist within the Group and the Association for fraud and identified the greatest potential for fraud in the following areas: management override of controls, including relating to posting of journals. To address those risks we discussed the risks with client management and tested a sample of journals to confirm they were appropriate.

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

INDEPENDENT AUDITOR'S REPORT TO CHOICE HOUSING IRELAND LIMITED

(continued)

Use of our report

This report is made solely to the Board of Management in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969) and article 19 of The Housing (Northern

Ireland) Order 1992. Our audit work has been undertaken so that we might state to the Board of Management those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Board of Management, for our audit work, for this report, or for the opinions we have formed.



Brian Clerkin
Senior Statutory Auditor
for and on behalf of Sumer Auditco NI Limited
Statutory Auditors
4th Floor
Glendinning House
6 Murray Street
Belfast
BT1 6DN

21 August 2024

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

GROUP INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024

		Total	Continuing Operations	Discontinued Operations	Total
	Note	2024	2023	2023	2023
		£'000	£'000	£'000	£'000
Turnover	2.1	82,568	76,675	18,328	95,003
Operating costs	2.1	(61,694)	(57,446)	(11,412)	(68,858)
Operating surplus		20,874	19,229	6,916	26,145
Gain on disposal of tangible fixed assets		3,285	4,186	-	4,186
Interest receivable and similar income	4	1,143	681	1,960	2,641
Interest payable and similar charges	5	(9,219)	(7,930)	(4,440)	(12,370)
Net finance credit/(charges) relating to pension scheme	5/19.1	696	99	-	99
Fair value change in investment properties	10	656	881	-	881
Transfer to disposal proceeds fund	18	(2,694)	(4,011)		(4,011)
Movement in fair value of financial instruments	26.1	199	181	238	419
Surplus before tax before exceptional items		14,940	13,316	4,674	17,990
Exceptional Items - Loss on disposal of subsidiaries	11	-			(16,393)
Surplus before tax after exceptional items		14,940			1,597
Taxation	7	(375)			(130)
Surplus for the year		14,565			1,467

The current year results relate wholly to continuing operations.

The notes on pages 33 to 73 form part of these financial statements.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

ASSOCIATION INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024

	Note	PARENT	
		2024 £'000	2023 £'000
Turnover	2.1	77,406	73,143
Operating costs	2.1	(57,490)	(54,685)
Operating surplus		19,916	18,458
Gain on disposal of tangible fixed assets		3,285	4,186
Interest receivable and similar income	4	1,882	982
Interest payable and similar charges	5	(8,797)	(7,525)
Net finance credit/ (charges) relating to pension scheme	5/19.1	696	99
Fair value change in investment properties	10	-	-
Impairment of financial assets		-	-
Transfer to disposal proceeds fund	18	(2,694)	(4,011)
Movement in fair value of financial instruments	26.1	199	181
Surplus before tax		14,487	12,370
Taxation	7	-	-
Surplus for the year		14,487	12,370

The results relate wholly to continuing activities.

The notes on pages 33 to 73 form part of these financial statements.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	GROUP		PARENT	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Surplus for the year		14,565	1,467	14,487	12,370
<i>Other comprehensive income</i>					
Re-measurement of net defined benefit liability	19.1	4,347	10,138	4,347	10,138
Net addition to restriction in recognition of pension asset	19.1	(7,257)	(4,233)	(7,257)	(4,233)
Effective portion of changes in fair value of cash flow hedges	26.1	455	8,480	455	3,089
Disposal of subsidiary	11	-	(6,917)	-	-
Total other comprehensive income for the year		(2,455)	7,468	(2,455)	8,994
Total comprehensive income for the year		12,110	8,935	12,032	21,364

The notes on pages 33 to 73 form part of these financial statements.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	GROUP		PARENT	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets- Housing Properties	8	986,768	925,134	986,519	924,909
Other tangible fixed assets	9	5,224	5,161	5,207	5,116
Investment properties	10	36,248	31,139	324	324
Financial assets	11	-	-	14,700	13,200
		1,028,240	961,434	1,006,750	943,549
Non-Current assets					
Pension asset	19.1	5,324	6,668	5,324	6,668
Current assets					
Stock	12	855	1,473	22	22
Trade and other debtors	13	27,100	51,425	40,170	61,078
Cash investments	24.1	5,618	27,442	5,618	27,442
Cash and cash equivalents		9,000	7,398	6,331	5,523
		42,573	87,738	52,141	94,065
Creditors: amounts falling due within one year	14	(96,751)	(95,401)	(94,408)	(86,594)
Net current (liabilities)/assets		(54,178)	(7,663)	(42,267)	7,471
Total assets less current liabilities		979,386	960,439	969,807	957,688
Creditors: amounts falling due after more than one year	15	(799,535)	(792,698)	(792,785)	(792,698)
Net assets		179,851	167,741	177,022	164,990
Capital and reserves					
Share capital	20	-	-	-	-
Cash-flow hedge reserve	21	(1,520)	(1,975)	(1,520)	(1,975)
Revenue reserve		181,371	169,716	178,542	166,965
Total reserves		179,851	167,741	177,022	164,990

The Group meets the definition of a Public Benefit Entity (PBE) as defined by FRS102. These financial statements were approved by the Board of Management on 21 August 2024.

Signed on behalf of the Board of Management:


 Joe Higgins
 Chair


 Ciaran McAreevey
 Vice Chair


 Lawrence Jackson
 Secretary

The notes on pages 33 to 73 form part of these financial statements.

Registered Housing Association number: R56

Co-operative and Community Benefit Societies Act (Northern Ireland) 1969: IP000408

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Revenue Reserve	Foreign Currency Translation Reserve	Cash Flow Hedge Reserve	Total Equity
	£'000	£'000	£'000	£'000
Balance at 1 April 2022	161,708	253	(3,155)	158,806
Total comprehensive income for the year				
Surplus for the year	1,467	-	-	1,467
<i>Other comprehensive income for the year</i>				
Foreign exchange differences on translation of foreign operations	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	8,480	8,480
Re-measurement of net defined benefit liability	10,138	-	-	10,138
Net addition to restriction in recognition of pension asset	(4,233)			(4,233)
Disposal of subsidiary	636	(253)	(7,300)	(6,917)
<i>Total comprehensive income for the year</i>	<u>8,008</u>	<u>(253)</u>	<u>1,180</u>	<u>8,935</u>
Balance at 31 March 2023	<u>169,716</u>	<u>-</u>	<u>(1,975)</u>	<u>167,741</u>
Balance at 1 April 2023	169,716	-	(1,975)	167,741
Total comprehensive income for the year				
Surplus for the year	14,565	-	-	14,565
<i>Other comprehensive income for the year</i>				
Effective portion of changes in fair value of cash flow hedges	-	-	455	455
Re-measurement of net defined benefit liability	4,347	-	-	4,347
Net addition to restriction in recognition of pension asset	(7,257)			(7,257)
<i>Total comprehensive income for the year</i>	<u>11,655</u>	<u>-</u>	<u>455</u>	<u>12,110</u>
Balance at 31 March 2024	<u>181,371</u>	<u>-</u>	<u>(1,520)</u>	<u>179,851</u>

The notes on pages 33 to 73 form part of these financial statements.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

PARENT STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Revenue Reserve	Cash Flow Hedge Reserve	Total Equity
	£'000	£'000	£'000
Balance at 1 April 2022	148,690	(5,064)	143,626
Total comprehensive income for the year			
Surplus for the year	12,370	-	12,370
<i>Other comprehensive income for the year</i>			
Effective portion of changes in fair value of cash flow hedges	-	3,089	3,089
Re-measurement of net defined benefit liability	10,138	-	10,138
Net addition to restriction in recognition of pension asset	(4,233)		(4,233)
<i>Total comprehensive income for the year</i>	<u>18,275</u>	<u>3,089</u>	<u>21,364</u>
Balance at 31 March 2023	<u>166,965</u>	<u>(1,975)</u>	<u>164,990</u>
Balance at 1 April 2023	166,965	(1,975)	164,990
Total comprehensive income for the year			
Surplus for the year	14,487	-	14,487
<i>Other comprehensive income for the year</i>			
Effective portion of changes in fair value of cash flow hedges	-	455	455
Re-measurement of net defined benefit liability	4,347	-	4,347
Net addition to restriction in recognition of pension asset	(7,257)		(7,257)
<i>Total comprehensive income for the year</i>	<u>11,577</u>	<u>455</u>	<u>12,032</u>
Balance at 31 March 2024	<u>178,542</u>	<u>(1,520)</u>	<u>177,022</u>

The notes on pages 33 to 73 form part of these financial statements.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £'000	2023 £'000
Net cash from operating activities	24	46,986	33,653
Cash flows from investing activities			
Acquisition of tangible fixed assets		(97,110)	(67,903)
Expenditure on investment property		(5,010)	(1,774)
Cash investments withdrawn/(invested)		21,824	(24,615)
Proceeds from sale of tangible fixed assets		3,998	1,659
Proceeds from the receipt of grants		45,933	41,260
Interest received		1,143	3,308
Net cash used in investing activities		<u>(29,222)</u>	<u>(48,065)</u>
Cash flow from financing activities			
Interest paid		(9,315)	(12,255)
Proceeds from new loans		-	75,515
Repayments of borrowings		(6,847)	(55,321)
Net cash generated from financing activities		<u>(16,162)</u>	<u>7,939</u>
Net (decrease)/increase in cash and cash equivalents		<u>1,602</u>	<u>(6,473)</u>
Cash and cash equivalents at 1 April		<u>7,398</u>	<u>13,871</u>
Cash and cash equivalents at 31 March		<u><u>9,000</u></u>	<u><u>7,398</u></u>

The notes on pages 33 to 73 form part of these financial statements.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES

(forming part of the financial statements)

1 ACCOUNTING POLICIES

1.1 Legal Status

Choice Housing Ireland Limited (the 'Association' or 'Parent') is established and registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and is domiciled in Northern Ireland. Its registration number is IP000408. It is registered with the Department for Communities ('DfC') as number R56. The registered office is located at 37-41 May St, Belfast, County Antrim BT1 4DN.

1.2 Basis of Accounting

These Group and Parent financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers. These financial statements comply with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, Article 19 of the Housing (Northern Ireland) Order 1992, the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to material items for all periods presented in these financial statements.

The Association is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the Parent financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.25.

1.3 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, pensions and investment property.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

1 ACCOUNTING POLICIES (continued)

1.4 Basis of consolidation

The consolidated financial statements include the financial statements of the Association and its subsidiary undertakings made up to 31 March 2024. A subsidiary is an entity that is controlled by the Parent undertaking. The results of subsidiary undertakings are included in the Group income and expenditure account from the date that control commences until the date that control ceases. Control is established when the Association has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

A joint venture is a contractual arrangement undertaking in which the Group exercise joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the Group income and expenditure account and its interest in their net assets is recorded on the Group balance sheet using the equity method.

In the Parent undertaking financial statements, investments in subsidiaries and joint ventures are carried at cost less impairment.

1.5 Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Group companies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in income and expenditure.

1.6 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Group and Association prepares a 3-year business plan which is updated and approved on an annual basis. The most recent 3-year strategy (FY24-27) was approved in April 2024 by the Board. In order to ensure delivery against these strategic goals, the Association will commit to key targets for achievement by 2025; bring forward annual business plans and budgets with detailed objectives and KPIs; formally monitor strategic progress every six months with Board & Committee members; and report regularly to our stakeholders on achievements and intentions.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

1 ACCOUNTING POLICIES (continued)

1.6 Going concern (continued)

The Board, after reviewing the Group and Association's budgets for 2024/25 and the Group and Association's medium term financial position as detailed in the 2024/25 business plan, is of the opinion that, taking account of severe but plausible downsides, the Group and Association has adequate resources to continue in business for the foreseeable future. The Directors note that the Group balance sheet includes an excess of current liabilities over current assets. They have prepared financial and cash flow projections which indicate that the Group will generate profits and positive cash flows over their forecast period to 2050 which will be sufficient to ensure that all liabilities can be discharged in the ordinary course as they fall due for payment and that the Group will have adequate liquid funds available. In order to reach this conclusion, the Board have considered:

- the property market – budget and business plan scenarios have taken account of delays in handovers, lower numbers of property sales, reductions in sales values and potential conversion of market sale to social homes;
- Maintenance costs – budget and business plan scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased into future years;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential future reductions in rents;
- Liquidity – current available cash together with unutilised loan facilities of £94.0m which provides significant headroom for committed spend and other forecast cash flows that arise;
- The Group's ability to withstand other adverse scenarios such as higher interest rates and number of void properties; and
- For the continuing delivery of its development programme the Parent is dependent on grant funding from the Department for Communities, and bank financing.

The Board believe the Group and Association has sufficient funding in place and expect the Group and Association to be in compliance with its debt covenants even in severe but plausible downside scenarios. In discussions with the Group and Association's bankers about its borrowing needs, there has been nothing to suggest that renewal of existing short-term facilities may not be forthcoming on acceptable terms. Further undrawn long-term facilities will meet development programme funding requirements into the foreseeable future.

Consequently, the directors have a reasonable expectation that the Group and Association has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.7 Classification of financial instruments issued by the Group

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

1 ACCOUNTING POLICIES (continued)

1.8 Basic financial instruments

Rental debtors and other debtors

Rental debtors and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.9 Other financial instruments

Financial instruments not considered to be basic financial instruments (Other financial instruments).

Other financial instruments not meeting the definition of basic financial instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in income and expenditure except hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in income and expenditure. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in income and expenditure.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in other comprehensive income is included in the initial cost or other carrying amount of the asset or liability. Alternatively, when the hedged item is recognised in income and expenditure the hedging gain or loss is reclassified to the income and expenditure.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

1 ACCOUNTING POLICIES (continued)

1.9 Other financial instruments (continued)

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in income and expenditure immediately.

1.10 Tangible fixed assets

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period. In instances where acquisition accounting is applied, the Group recognises the acquired housing assets at the Existing Use Value for Social Housing at the date of acquisition.

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Housing properties are split between land, structure and major components which require periodic replacement. Replacement or refurbishment of these components is capitalised and depreciated over their estimated useful life, which has been set taking into account professional guidance and the Group's asset management strategy. The related replaced asset is written off. In determining the remaining useful lives for the housing stock, the Group has taken account of views from both internal and external professional sources. The expected useful lives are reviewed on a regular basis.

Freehold and long leasehold land is not depreciated. In all other cases depreciation is provided to write off the cost of fixed assets, less their estimated residual values on a straight-line basis over the expected useful lives of the assets concerned. The estimates of the useful lives of the major classes of asset are:

Asset Category	Useful Life (Years)	Asset Category	Useful Life (Years)
<i>Housing properties</i>		<i>Other assets</i>	
Main fabric (new build)	100	The Group's office buildings	50
Main fabric (rehabilitated properties)	60	Office furniture and equipment	3-5
Roof structure and covering	50	Computer and telephone hardware	2-5
Windows and external doors	40	Computer software	2-3
Gas boilers/fires	15	Furniture in schemes	3-5
Kitchen	18	Fixtures and fittings in schemes	3-10
Bathrooms/WCs	30	Motor vehicles	4
Mechanical systems	20	Tools	2-5
Electrics	30		
Lift	30		
Defects insurance	10		

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

1 ACCOUNTING POLICIES (continued)

1.10 Tangible fixed assets (continued)

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

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

Development costs

Development costs are capitalised where they are directly attributable to bringing the properties into working condition for their intended use. Such costs generally include the labour costs of our own 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.

1.11 Government grants

Government grants are included within creditors in the Balance Sheet and credited to income and expenditure over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred. The accruals model is adopted and grants are classified as grants relating to assets.

Government grants received for housing properties are recognised in income over the useful life of the housing property structure and its individual components (excluding land) on a pro rata basis. Grants received specifically for components of a housing property (e.g. funding for replacement of boilers) are recognised in income over the expected useful life of the component.

On disposal of an asset for which a government grant was received and where there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the Balance Sheet relating to this asset is derecognised as a liability and recognised as revenue in income and expenditure.

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a liability is included in the Balance Sheet to recognise this obligation, measured at best estimate.

Property received at below market value is treated as a non-exchange transaction as described more fully in note 1.21.

Grants and contributions receivable relating to both completed schemes and schemes being built are shown separately within debtors. Those received in advance of the related expenditure are shown separately within creditors.

In certain circumstances any grant or contribution may be repayable in part or in full, but any such amounts will rank as subordinated or unsecured debt on the relevant property.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

1 ACCOUNTING POLICIES (continued)

1.12 Investment property

Investment properties are properties not held for social benefit which are held together to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost. Subsequent to initial recognition, investment properties are held at fair value. Any gains or losses arising from changes in the fair value are recognised in income and expenditure in the period they arise. No depreciation is provided in respect of investment properties.

1.13 Stocks - properties held for sale and work in progress

Completed properties and properties under construction for open market sales are recognised at the lower of cost and estimated selling price less costs to complete. Cost comprises materials, direct labour and direct development overheads. Assessing net realisable value requires use of the estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

1.14 Impairment excluding stocks, investments and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through income and expenditure is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Group would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in Income and Expenditure Account. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income and expenditure.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, and stocks, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or housing scheme is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in Income and Expenditure Account. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

1 ACCOUNTING POLICIES (continued)

1.14 Impairment excluding stocks, investments and deferred tax assets (continued)

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.15 Employee benefits

Defined contribution plans and other long-term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in income and expenditure in the periods during which services are rendered by employees.

Defined benefit plans

The Group participates in the Northern Ireland Local Government Officers Pension Scheme, which is a funded defined benefit scheme.

The Group takes no part in the administration of this fund. Contributions to it are in accordance with the instructions of the Trustees of the scheme, which follows actuarial advice given to them.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior year; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the Balance Sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the Group's obligations. A valuation is performed every three years by a qualified actuary using the projected unit credit method. The Group recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the year are recognised in income and expenditure.

Re-measurement of the net defined benefit liability / asset is recognised in other comprehensive income in the year in which it occurs.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

1 ACCOUNTING POLICIES (continued)

1.15 Employee benefits (continued)

the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

1.16 Provisions

A provision is recognised in the Balance Sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.17 Turnover

Turnover excludes value-added tax and represents rental and service charge income receivable (net of void losses), fees receivable, and amortisation of grants. Rental income is recognised on the execution of tenancy agreements. Other income is recognised as receivable on the delivery of services provided.

Donations received under the Gift Aid scheme to the Parent, from its subsidiaries are recognised as turnover upon receipt as it relates to the principal activities of the Association and is eliminated on consolidation.

1.18 Expenses

Interest receivable and interest payable

Interest is capitalised on borrowings to finance the development of qualifying assets to the extent that it accrues in respect of the period of development if it represents:

(a) interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or

(b) a fair amount of interest on borrowings of the association as a whole after deduction of Housing Association Grant (HAG) received in advance to the extent that they can be deemed to be financing the development programme.

A qualifying asset is one which necessarily takes a substantial period of time to get ready for its intended use or sale. Other interest payable is charged to income and expenditure in the year.

Other interest receivable and similar income include interest receivable on funds invested. Interest income and interest payable are recognised in income and expenditure as they accrue, using the effective interest method.

Operating Lease

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

1 ACCOUNTING POLICIES (continued)

1.19 Taxation

Certain activities of the Group are not taxable as the entities have charitable status.

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Deferred tax is measured on an undiscounted basis.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.20 Properties managed by agents

Most of the Group's special needs stock is managed by agents with the relevant skills and expertise to support the tenants in these schemes. Some of these schemes receive a revenue grant, which is passed to the managing agent. Where the financial risk in these schemes falls primarily on the managing agents, the related income and expenditure arising from day-to-day operations have been excluded from these financial statements whilst the property rental income arising and related direct costs of management and maintenance are included.

1.21 Non exchange transactions

Property received at below market value is treated as a non-exchange transaction. The difference between the fair value of the asset donated or acquired and the consideration paid for the asset is recognised as a government grant and included in the Balance Sheet as a liability. The terms of the donation or acquisition are considered to be performance-related conditions and the grant is amortised to turnover in the year of performance of the conditions.

1.22 Disposal proceeds fund

Surpluses arising from the sale of property to tenants are transferred to the Disposal Proceeds Fund, along with any related Housing Association Grant. The net surpluses can be used by the Group 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 two years of their receipt they may be payable in part or in full to the Department for Communities and the amounts potentially repayable are included within creditors.

1.23 Tenant services fund ('TSF')

Surpluses or deficits arising from a difference between tenant service and support charges and the related cost of service provision are held on the Balance Sheet as debtors or creditors, with the balance being recovered from or released to future income streams. The TSF movements are included within operating costs on the face of the income statement.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

1 ACCOUNTING POLICIES (continued)

1.24 Critical accounting estimates

The Board of Management makes estimates and assumptions concerning the future in the process of preparing the Group financial statements. The estimates and assumptions made in the preparation of these financial statements are as follows:

- **Impairment-** As part of the Group's and Association's continuous review of the performance of their assets, management identify any homes, or schemes, that have increasing void losses, are impacted by policy changes or where the decision has been made to dispose of the properties. These factors are considered to be an indication of impairment. Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any impairment losses are charged to operating surpluses.
- **Defined benefit obligation-** Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 19). The net defined benefit pension asset at 31 March 2024 was £5,324k

Management have assessed that there are no judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognised in the financial statements.

2 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS – PARENT

	2024	2023
	Turnover	Operating surplus/ (deficit)
	£'000	£'000
Social housing activities	77,400	18,875
Non-social housing activities	6	(417)
Total per income and expenditure account	77,406	18,458

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

**2.1 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT
FROM SOCIAL HOUSING ACTIVITIES**

Parent	2024						2023
	General needs	Sheltered	Supported	Agents	Admin	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from lettings:							
Rent	39,519	7,271	3,155	2,926	6	52,877	47,805
Rates	5,551	1,023	209	72	-	6,855	6,297
Services	1,713	2,125	431	7	-	4,276	4,063
Services – Heat	85	793	61	-	-	939	814
Supporting people	67	1,047	19	-	-	1,133	1,090
Other income	1,077	52	8	1	-	1,138	3,320
Amortisation of grant	8,946	794	823	903	-	11,466	11,182
Gross income	56,958	13,105	4,706	3,909	6	78,684	74,571
Less: void losses	(675)	(369)	(222)	(12)	-	(1,278)	(1,428)
Net income	56,283	12,736	4,484	3,897	6	77,406	73,143
Services	2,807	1,948	622	110	-	5,487	4,421
Heat	71	655	64	-	-	790	1,001
Supporting people	(20)	1,395	-	-	-	1,375	1,427
Management	10,421	(229)	56	188	-	10,436	10,590
Rates payable	5,164	898	159	96	9	6,326	5,836
Maintenance administration	2,206	671	359	242	-	3,478	3,131
Planned and cyclical maintenance	1,949	464	532	198	-	3,143	2,404
Reactive maintenance	5,079	1,428	503	579	-	7,589	7,549
Major repairs	610	82	11	16	-	719	1,306
Property lease charges	14	-	-	-	2	16	12
Bad debts	344	-	-	-	-	344	779
Exchange movement	-	-	-	-	72	72	2
Impairment	-	-	-	-	-	-	-
Depreciation – social housing	12,980	2,301	1,139	1,241	-	17,661	16,344
Depreciation – non-social housing	-	-	-	-	356	356	409
Transfer to Tenants' Services Fund	(448)	328	(163)	(19)	-	(302)	(526)
Operating costs	41,177	9,941	3,282	2,651	439	57,490	54,685
Operating surplus/ (deficit)	15,106	2,795	1,202	1,246	(433)	19,916	18,458

Other income includes £449k (2023: £948k) of donations received under the gift aid scheme from Group entities.

Turnover and operating costs relating to non-social activities are set out in the Admin column.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

2.1 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM SOCIAL HOUSING ACTIVITIES (Continued)

Parent	2024					Total	2023 Total
	General needs £'000	Sheltered £'000	Supported £'000	Agents £'000	Admin £'000		
DfC management allowances							
Management allowances	3,057	807	284	422	-	4,570	4,533
Management costs	(10,421)	229	(56)	(188)	-	(10,436)	(10,591)
(Deficit)/surplus	(7,364)	1,036	228	234	-	(5,866)	(6,058)
DfC maintenance allowances							
Maintenance allowances	3,910	945	358	539	-	5,752	5,713
Planned and cyclical Maintenance	(2,349)	(664)	(634)	(206)	-	(3,853)	(2,983)
Reactive maintenance	(5,253)	(1,583)	(603)	(619)	-	(8,058)	(7,895)
Deficit	(3,692)	(1,302)	(879)	(286)	-	(6,159)	(5,165)

Turnover excluding other income and amortisation of grant

Parent	2024	2023
	Total £'000	Total £'000
Technical	44,300	39,357
Non-technical	20,502	19,284
Total	64,802	58,641

Group

The addition of the turnover of Maple And May Ltd, Maple And May (Homes) Ltd and Choice Services (Ireland) Limited (net of consolidation adjustments) of £5,162k (2023: £21,860k) resulted in a Group turnover of £82,568k (2023: £95,003k).

The addition of the operating costs of Maple And May Ltd, Maple And May (Homes) Ltd and Choice Services (Ireland) Limited (net of consolidation adjustments) of £4,204k (2023: £14,173k) resulted in Group operating costs of £61,694k (2023: £68,858k).

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

3 EMPLOYEES

The average number of persons employed (including the Group Senior Executives) during the year, analysed by category was:

	Group		Parent	
	2024	2023	2024	2023
	No.	No.	No.	No.
Corporate Services	71	86	70	76
Development and Growth	20	26	20	21
Housing	152	173	152	155
Maintenance	178	178	79	75
	<u>421</u>	<u>463</u>	<u>321</u>	<u>327</u>

The costs incurred in respect of these employees were:

	2024		2023	
	£'000	£'000	£'000	£'000
Wages and salaries	13,342	13,851	9,946	9,356
Social security costs	1,352	1,467	1,012	972
Other pension costs	1,104	1,473	949	1,273
	<u>15,798</u>	<u>16,791</u>	<u>11,907</u>	<u>11,601</u>

No redundancy costs were incurred during the year (2023: £Nil). Included in the above are employee costs capitalised of £2,654k (2023: £2,232k).

3.1 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Remuneration of Group Senior Executives

The remuneration paid to six (2023: seven) Group Senior Executives (defined for the purposes of emoluments as members of the Group Senior Management Team of the Association) was as follows:

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Aggregate emoluments (including benefits in kind)	732	783	732	676
Pension contributions	142	139	142	123
	<u>874</u>	<u>922</u>	<u>874</u>	<u>799</u>

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

Aggregate emoluments (including benefits in kind)	155	142	155	142
Pension contributions	17	15	17	15
	<u>172</u>	<u>157</u>	<u>172</u>	<u>157</u>
Total expenses reimbursed to the Group Senior Executives and not chargeable to income tax	2	2	2	2

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

3.1 INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

Remuneration of Group Senior Executives by Salary Band

The numbers of Group Senior Executives whose emoluments (including pension contributions but excluding redundancy related payments) fell within the following ranges were:

Band	Group		Parent	
	2024 No.	2023 No.	2024 No.	2023 No.
£115,001 - £120,000	-	3	-	3
£120,001 - £125,000	-	1	-	-
£125,001 - £130,000	3	-	3	-
£130,001 - £135,000	-	-	-	-
£135,001 - £140,000	-	-	-	-
£140,001 - £145,000	-	1	-	1
£145,001 - £150,000	-	1	-	1
£150,001 - £155,000	-	-	-	-
£155,001 - £160,000	1	1	1	1
£160,001 - £165,000	-	-	-	-
£165,001 - £170,000	1	-	1	-
£170,001 - £175,000	1	-	1	-
Total	6	7	6	6

Those Group Senior Executives who are members of the NILGOSC Pension Scheme are on the same terms as all other members.

Remuneration of staff by Salary Band

The number of staff who received remuneration greater than £60,000 (excluding directors and Group Senior Executives):

Band	Group	
	2024 No.	2023 No.
£60,001 - £70,000	9	8
£70,001 - £80,000	2	4
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	2
Total	14	16

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

3.1 INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

Remuneration of Board Members - Parent

The members of the Board are not remunerated.

The total expenses paid to members of the Board were £137 for the year ended 31 March 2024 (2023: £nil).

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Interest receivable from bank deposits	1,143	2,641	1,144	459
Interest receivable from Group companies	-	-	738	523
	<u>1,143</u>	<u>2,641</u>	<u>1,882</u>	<u>982</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Interest payable on financial liabilities at amortised cost	9,219	12,370	8,797	7,525
Net interest (credit)/charge on net defined benefit obligations	(696)	(99)	(696)	(99)
	<u>8,523</u>	<u>12,271</u>	<u>8,101</u>	<u>7,426</u>

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

6 SURPLUS ON ORDINARY ACTIVITIES

Included in income/expenditure are the following:

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Depreciation on housing and other fixed assets	17,560	20,671	17,524	16,766
Write-off of major repairs on owned tangible fixed assets	719	1,306	719	1,306
Amortisation of grants and contributions	(11,235)	(13,376)	(11,235)	(11,384)
Surplus on sale of housing assets	(3,285)	(4,186)	(3,285)	(4,186)
Change in fair value of investment property	(656)	(881)	-	-
Change in fair value of derivatives recognised in income and expenditure	(199)	(419)	(199)	(181)
Impairment loss on schemes being built	-	-	-	-
Internal audit services	32	29	32	
Capitalisation of own labour and overhead	<u>(2,654)</u>	<u>(2,232)</u>	<u>(2,654)</u>	<u>(2,138)</u>

	Group	
	2024	2023
	£'000	£'000
Auditor's Remuneration:		
Fees payable to the Association's auditors for the audit of the parent and Group financial statements	64	88
Fees payable to the Association's auditors for other services:		
- Tax compliance services	10	4
- Tax advisory services	-	-
- All other services	-	4
Total amounts payable to the Association's auditors	<u>74</u>	<u>96</u>

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

7 TAXATION

The Association is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Association is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Maple And May Ltd, Maple And May (Homes) Ltd and Choice Services (Ireland) Limited, as subsidiaries of the Association, can gift their taxable profits to the Parent under a gift aid arrangement, thereby reducing their taxable profits to £Nil. All of the taxable profits of the company must be gifted to the Parent, in cash, on or before 1 January following the accounting period end to meet this arrangement. A current tax credit/ (charge) of £212k (2023: £37k) has been recognised in respect of these entities.

A deferred tax charge of £164k (2023: £167k) has been recognised relating to Maple And May Ltd, arising on investment properties- total deferred tax liability recognised of £1,133k (2023: £742k). Additionally, due to the uncertainty of the recoverability of the tax losses, a deferred tax asset of £244k (2023: £244k) relating to Maple And May Ltd has not been recognised.

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<i>Current tax</i>				
UK corporation tax on surplus for the year	211	(37)	-	-
<i>Deferred tax</i>				
Deferred tax charged to the SoCI in arriving at the surplus for the year	164	167	-	-
Total tax on results	375	130	-	-

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

8 FIXED ASSETS – HOUSING PROPERTIES

Group	Housing	Schemes being built	Total
	£'000	£'000	£'000
Cost			
At 31 March 2023	1,011,983	113,607	1,125,590
Additions	21,050	75,604	96,654
Transfers	47,002	(47,002)	-
Impairment	-	-	-
Disposals	(9,669)	(10,736)	(20,405)
At 31 March 2024	1,070,366	131,473	1,201,839
Depreciation			
At 31 March 2023	(200,456)	-	(200,456)
Charge for the year	(17,167)	-	(17,167)
Disposals	2,552	-	2,552
At 31 March 2024	(215,071)	-	(215,071)
Net Book Value			
At 31 March 2024	855,295	131,473	986,768
At 31 March 2023	811,527	113,607	925,134

The tenure for these properties at cost is:

	Freehold	Long leasehold	Total
	£'000	£'000	£'000
At 31 March 2024	1,078,273	123,566	1,201,839
At 31 March 2023	1,010,241	115,349	1,125,590

No fixed assets are held under finance leases.

Schemes being built

The amount of borrowing costs capitalised during the period was £897k (2023: £1,211k) with a capitalisation rate of 3.2% (2023: 5.7%).

Included in the cost of housing properties is £4,711k (2023: £3,814k) in respect of capitalised finance costs.

Security

Bank loans are secured by specific charges on some of the Group's properties. See note 16.

The Net Book Value of assets held for sale at the year-end is £Nil (2023: £1.2M)

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

8 FIXED ASSETS – HOUSING PROPERTIES (continued)

Parent

	Housing	Schemes Being Built	Total
	£'000	£'000	£'000
Cost			
At 31 March 2023	1,011,983	113,382	1,125,365
Additions	21,050	75,580	96,630
Transfers	47,002	(47,002)	-
Disposals	(9,669)	(10,736)	(20,405)
Impairment	-	-	-
At 31 March 2024	1,070,366	131,224	1,201,590
Depreciation			
At 31 March 2023	(200,456)	-	(200,456)
Charge for the year	(17,167)	-	(17,167)
Disposals	2,552	-	2,552
At 31 March 2024	(215,071)	-	(215,071)
Net Book Value			
At 31 March 2024	855,295	131,224	986,519
At 31 March 2023	811,527	113,382	924,909

The tenure for these properties at cost is:

	Freehold	Long Leasehold	Total
	£'000	£'000	£'000
At 31 March 2024	1,078,023	123,567	1,201,590
At 31 March 2023	1,010,014	115,351	1,125,365

No fixed assets leased are held under finance leases.

Schemes being built

The amount of borrowing costs capitalised during the period was £897k (2023: £1,211k) with a capitalisation rate of 3.2% (2023: 5.7%).

Included in the cost of housing properties is £4,711k (2023: £3,814k) in respect of capitalised finance costs.

Security

Bank loans are secured by specific charges on some of the Parent's properties. See note 16.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

9 OTHER TANGIBLE FIXED ASSETS

Group	Office Land * and Buildings £'000	Vehicles £'000	Office Furniture & Equipment £'000	Computers £'000	Software £'000	Tools £'000	Total £'000
Cost							
At 31 March 2023	7,956	114	1,375	2,555	2,307	74	14,381
Additions	7	11	13	319	106	-	456
Disposals	-	-	-	-	-	-	-
At 31 March 2024	7,963	125	1,388	2,874	2,413	74	14,837
Depreciation							
At 31 March 2023	(3,417)	(92)	(1,345)	(2,150)	(2,162)	(54)	(9,220)
Charge for the year	(72)	(17)	(18)	(181)	(87)	(18)	(393)
Disposals	-	-	-	-	-	-	-
At 31 March 2024	(3,489)	(109)	(1,363)	(2,331)	(2,249)	(72)	(9,613)
Net book value							
At 31 March 2024	4,474	16	25	543	164	2	5,224
At 31 March 2023	4,539	22	30	405	145	20	5,161

* Office land is held freehold.

No fixed assets are held under finance leases.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

9 OTHER TANGIBLE FIXED ASSETS (continued)

Parent	Office Land* and Buildings £'000	Vehicles £'000	Office Furniture & Equipment £'000	Computers £'000	Software £'000	Total £'000
Cost						
At 31 March 2023	7,956	81	1,355	2,539	2,307	14,238
Additions	7	3	13	319	106	448
At 31 March 2024	7,963	84	1,368	2,858	2,413	14,686
Depreciation						
At 31 March 2023	(3,417)	(81)	(1,328)	(2,134)	(2,162)	(9,122)
Charge for the year	(72)	-	(17)	(181)	(87)	(357)
At 31 March 2024	(3,489)	(81)	(1,345)	(2,315)	(2,249)	(9,479)
Net book value						
At 31 March 2024	4,474	3	23	543	164	5,207
At 31 March 2023	4,539	-	27	405	145	5,116

* Office land is held freehold.

No fixed assets are held under finance leases.

10 INVESTMENT PROPERTY

	Group £'000	Parent £'000
At 1 April 2023	31,139	324
Additions	5,010	-
Disposals	(557)	-
Revaluation gain/(loss)	656	-
At 31 March 2024	36,248	324

Investment properties consist of domestic properties in Maple And May Ltd and commercial properties in Choice Housing Ireland Limited, held for rental.

Any gain or loss arising from a change in fair value is recognised in income and expenditure. Rental income from investment property is accounted for as described in the turnover accounting policy.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

10 INVESTMENT PROPERTY (continued)

Group

The investment property fair value is predominately based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of the properties being valued. The valuation exercise for £36,017k of the properties held was performed with a valuation date of 31 March 2024.

The valuations, which are supported by previous market evidence, are prepared by considering the aggregate of the net annual rents' receivable from the properties and where relevant, associated costs.

The directors have not obtained a valuation report as at 31 March 2024 in respect of the portion of Leslie Morrell House carried as an investment property with an assessed value of £324k. The directors have assessed the fair value as at 31 March 2024.

Any gain or loss arising from a change in fair value is recognised in profit and loss. Rental income from investment property is accounted for as described in the turnover accounting policy.

The historical cost of the investment properties at 31 March 2024 was £31,962k (2023: £27,354k).

Company

Leslie Morrell House (a portion of the property is carried as an investment property and the remainder is used in the business): The directors have not obtained a valuation report as at 31 March 2024 in respect of this investment property with an assessed fair value of £324k. The directors have assessed the fair value as at 31 March 2024 cognisant of a valuation performed by an external, independent valuer in March 2021.

The historical cost of the investment properties at 31 March 2024 was £230k (2023: £230k).

11 FINANCIAL ASSETS

	Group	Parent
	£'000	£'000
At 1 April 2023	-	13,200
Additions	-	1,500
At 31 March 2024	-	14,700

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

11 FINANCIAL ASSETS (continued)

The undertakings in which the Group and Association's interest at the year-end is more than 20% are as follows:

	Registered office	Nature of Business	Class of shares held	Ownership
<i>Subsidiary undertakings</i>				
Maple And May Ltd	Northern Ireland	Provision of property rental and related services	Ordinary & Preference shares ¹	100%
Choice Services (Ireland) Limited	Northern Ireland	Maintenance services	Ordinary shares	100%
Maple And May (Homes) Ltd	Northern Ireland	Development of affordable housing	Ordinary shares	100%
<i>Joint venture</i>				
Comhar Facilities Management Limited	Republic of Ireland	Provision of facilities management services	A shares	99% ²

¹ Maple & May Ltd- The Association holds 14,500,000 Preference shares of £1 each which are redeemable at any time on request at the option of the issuer. The premium on redemption is £Nil.

² Comhar Facilities Management Limited is accounted for as a Joint Venture within the Group financial statements; carried at cost. The investment at 31 March 2024 was £172 (2023: £172).

In 2023 there was a deconsolidation of the Republic of Ireland subsidiaries, Oaklee and Acorn which are treated in the Group results as a disposal of their net assets as at 31st March 2023.

Loss on disposal of subsidiaries

	Group	
	2024	2023
	£'000	£'000
<i>Income & Expenditure Account</i>		
Loss on disposal	-	16,393
<i>Statement of Comprehensive Income</i>		
Loss on disposal	-	6,917

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

12 STOCK

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Work-in-progress	598	1,204	-	-
Stock – materials	235	247	-	-
Fuel	22	22	22	22
	<u>855</u>	<u>1,473</u>	<u>22</u>	<u>22</u>

Work in progress recognised in operating costs in the year amounted to £1,389k (2023: £866k).

13 DEBTORS

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Rental debtors gross – technical	2,286	1,962	2,286	1,962
Rental debtors gross – non-technical	3,042	2,442	3,042	2,442
Less provision for bad and doubtful debts	(1,759)	(1,733)	(1,759)	(1,733)
Net Rental Debtors	3,569	2,671	3,569	2,671
Housing asset grant receivable	15,776	41,052	15,776	41,052
Other debtors	6,129	6,214	5,639	5,570
Amounts due from group undertakings	-	-	14,129	11,015
Amounts due from joint venture	392	597	16	13
Prepayments and accrued income	1,234	891	1,041	757
	<u>27,100</u>	<u>51,425</u>	<u>40,170</u>	<u>61,078</u>
Due within one year	27,100	51,425	27,233	59,278
Due after one year	-	-	12,937	1,800
	<u>27,100</u>	<u>51,425</u>	<u>40,170</u>	<u>61,078</u>

The term “technical” refers to the portion of the rental debt which will be paid out of expected Housing Benefit and Supporting People payments. Parent- Other debtors includes £944k in relation to the Tenants Services Fund. (2023: £391k) Parent- Amounts due from group undertakings are interest free and unsecured. £12,937k due from group undertakings is due after more than one year (2023: £1,800k), with £1,192k repayable on demand (2023: £9,215k).

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Debt (note 16)	24,737	31,612	24,737	24,862
Trade creditors	4,149	2,859	3,752	2,575
Accruals	8,436	6,754	8,061	6,296
Other creditors	140	190	-	-
Corporation tax payable	204	275	-	-
Due to contractors for certified work and retentions	6,049	3,525	6,049	3,525
Rental and service charge paid in advance	1,408	1,156	1,408	1,156
Other tax and social security	343	64	250	5
Amounts due to group undertakings	-	-	-	-
Amounts due to joint venture companies	-	49	-	-
Housing grant received in advance	29,294	35,134	29,294	35,134
Housing grant repayable	4,178	-	4,178	-
Deferred tax liability	1,134	742	-	-
Disposal proceeds fund (note 18)	5,563	2,458	5,563	2,458
Deferred grant income (note 17.1)	11,116	10,583	11,116	10,583
	96,751	95,401	94,408	86,594

Amounts due to group undertakings are interest free, unsecured and repayable on demand.

15 CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Debt (note 16)	282,149	282,121	275,399	282,121
Disposal proceeds fund (note 18)	2,708	4,011	2,708	4,011
Financial instruments (note 26)	1,300	1,954	1,300	1,954
Deferred grant income (note 17.1)	513,378	504,612	513,378	504,612
	799,535	792,698	792,785	792,698

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

16 DEBT ANALYSIS

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Due within one year				
Banks and other loans	24,734	31,545	24,734	24,795
DfC loans	3	67	3	67
	<u>24,737</u>	<u>31,612</u>	<u>24,737</u>	<u>24,862</u>
Due greater than one year				
Banks and other loans	282,149	282,118	275,399	282,118
DfC loans	-	3	-	3
	<u>282,149</u>	<u>282,121</u>	<u>275,399</u>	<u>282,121</u>
Total borrowings	<u>306,886</u>	<u>313,733</u>	<u>300,136</u>	<u>306,983</u>

Terms of repayment and interest rates

Group	Currency	Nominal interest rate	Year of maturity	Repayment schedule	31 March	31 March
					2024	2023
		Range	Range		£'000	£'000
Bank loans	GBP and Euro	0.8% to 6.2% (Variable and Fixed)	2024 to 2044	Monthly and quarterly	211,195	217,642
DfC loan	GBP	9.63% to 12.32% (Fixed)	2024 to 2025	Bi-annually	3	70
The Housing Finance Corporation ("THFC") loans	GBP	2.92% to 6.35% (Fixed)	2026 to 2054	Quarterly bi-annually and bullet	95,688	96,021
Total					<u>306,886</u>	<u>313,733</u>

At 31 March 2024 the Group had undrawn loan facilities of £94,000k (2023: £73,000k).

Parent	Currency	Nominal interest rate	Year of maturity	Repayment schedule	31 March	31 March
					2024	2023
		Range	Range		£'000	£'000
Bank loans	GBP	0.82% to 6.1% (Variable and Fixed)	2024 to 2042	Monthly and quarterly	204,445	210,892
DfC loan	GBP	9.63% to 12.32% (Fixed)	2024 to 2024	Bi-annually	3	70
THFC loans	GBP	2.92% to 6.35% (Fixed)	2026 to 2054	Quarterly bi-annually and bullet	95,688	96,021
Total					<u>300,136</u>	<u>306,983</u>

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

16 DEBT ANALYSIS (continued)

At 31 March 2024 the Parent had undrawn loan facilities of £94,000k (2023: £73,000k).

Hedging

- £30m of bank loans included in Parent and Group above have been hedged using interest rate swaps to fix the interest payable (5.35% Swap £20m 2040 and £10m Interest rate collar).
- £35m of a bank term loan facility for the Parent, which is undrawn at 31st March 2024, has been hedged using an interest rate swap to fix the interest payable (3.524% Swap £35m 2038).

Security

- Bank loans are secured by way of mortgages upon the deeds of the related properties financed by the loans and charges over the assets of the entity.
- The Housing Finance Corporation Limited (THFC) loans are secured by way of a fixed charge over the Association's housing assets.

Repayment schedule

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Within one year or on demand	24,737	31,612	24,737	24,862
One year or more but less than two years	7,722	7,644	7,655	7,644
Two years or more but less than five years	30,139	24,178	15,698	24,178
Five years or more	244,288	250,299	252,046	250,299
Total borrowings	306,886	313,733	300,136	306,983

Changes in net debt

Net debt represents the amount of borrowings less cash. The changes in net debt arising during the year ended 31 March 2024 were as follows:

Group	Net cash and cash equivalents	Debt within one year	Debt greater than one year	Total
	£'000	£'000	£'000	£'000
At 1 April 2023	7,398	(31,612)	(282,121)	(306,335)
Cashflow	1,602	31,612	6,847	40,061
Other non-cash movements	-	(24,737)	(6,875)	(31,612)
At 31 March 2024	9,000	(24,737)	(282,149)	(297,886)

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

17 DEFERRED GRANT INCOME

17.1 GRANT RECONCILIATION - NET

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
At 1 April	515,195	532,104	515,195	486,959
Additions	24,528	47,343	24,528	44,981
Released to income in year	(11,235)	(13,376)	(11,235)	(11,384)
Disposals	(3,994)	(5,361)	(3,994)	(5,361)
Disposal of subsidiary	-	(45,515)	-	-
At 31 March	524,494	515,195	524,494	515,195
Amounts to be released within one year	11,116	10,583	11,116	10,583
Amounts to be released in more than one year	513,387	504,612	513,378	504,612
	524,494	515,195	524,494	515,195

17.2 GRANT RECONCILIATION - GROSS

	Parent			Group
	HAG	Other	Total	Total
	£'000	£'000	£'000	£'000
Gross				
At 1 April 2023	692,038	5,913	697,951	697,951
Additions	24,528	-	24,528	24,528
Disposals	(5,231)	-	(5,231)	(5,231)
At 31 March 2024	711,335	5,913	717,248	717,248
Amortisation				
At 1 April 2023	(180,198)	(2,558)	(182,756)	(182,756)
Released to income in year	(10,855)	(380)	(11,235)	(11,235)
Disposals	1,237	-	1,237	1,237
At 31 March 2024	(189,816)	(2,938)	(192,754)	(192,754)
Net book value				
At 31 March 2024	521,519	2,975	524,494	524,494
At 1 April 2023	511,840	3,355	515,195	515,195

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

18 DISPOSAL PROCEEDS FUND

The movements in the disposal proceeds fund during the year were:

	Group		Parent	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 April	6,469	2,901	6,469	2,901
House sales	2,694	4,011	2,694	4,011
Expenditure	(892)	(443)	(892)	(443)
At 31 March	<u>8,271</u>	<u>6,469</u>	<u>8,271</u>	<u>6,469</u>

The disposal funds surpluses must be used as follows:

Within the next year (note 14)	5,563	2,458	5,563	2,458
Within the next two years (note 15)	2,708	4,011	2,708	4,011
	<u>8,271</u>	<u>6,469</u>	<u>8,271</u>	<u>6,469</u>

19 EMPLOYEE BENEFITS

19.1 Pensions

Group and Parent

The Parent contributes to the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC). This is a defined benefit scheme and the benefits currently provided are on a Career Average Revaluated Earnings ('CARE') basis, based on an accrual rate of 1/49. Death in service benefits include three times pensionable salary, and spouse pension paid to a qualifying spouse.

The most recent formal actuarial valuation was completed as at 31 March 2022 and rolled forward, allowing for the different financial assumptions required under FRS 102, to 31 March 2024 by a qualified independent actuary. A full actuarial valuation is carried out every three years. Pension scheme assets were stated at their estimated market value at 31 March 2024.

At the 31st March 2024 the pension valuation reports a net pension asset of £19,930k before consideration of a surplus restriction. In line with FRS 102 para 28.22 the Association has not recognised all of this surplus, as it is uncertain as to whether this surplus (calculated for Financial Reporting purposes) will be recoverable via reduced future contributions (calculated for pension funding purposes). Based on third party specialist advice we have recognised £5,324k in the Pension Asset Account.

Net pension asset

	2024	2023
	£'000	£'000
Defined benefit obligation	(40,424)	(40,317)
Plan assets	60,354	54,334
Restriction on pension asset	(14,606)	(7,349)
Net pension asset	<u>5,324</u>	<u>6,668</u>

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

19.1 Pensions (continued)

Movements in present value of defined benefits obligation

	2024	2023
	£'000	£'000
At 1 April	40,317	55,781
Current service cost	430	827
Interest expense	1,898	1,592
Re-measurement: actuarial gains/(losses)	(1,473)	(17,229)
Member contributions	174	183
Benefits paid	(922)	(837)
At 31 March	<u>40,424</u>	<u>40,317</u>

Movements in fair value of plan assets

	2024	2023
	£'000	£'000
At 1 April	54,334	58,897
Interest income	2,594	1,691
Re-measurement gains on assets	2,867	(7,091)
Contributions by employer	1,307	1,491
Contributions by members	174	183
Benefits paid	(922)	(837)
At 31 March	<u>60,354</u>	<u>54,334</u>

Re-measurement of net defined liability

	2024	2023
	£'000	£'000
Re-measurement: actuarial gains/(losses)	1,699	19,831
Re-measurement gains on assets	2,867	(7,091)
Actuarial gains from experience	(219)	(2,602)
Restriction on pension asset	(14,606)	(7,349)
Net re-measurement – recognised in other comprehensive income	<u>(10,259)</u>	2,789
Previous year curtailment	7,349	3,116
Total recognised in current year Other Comprehensive Income	<u>(2,910)</u>	<u>5,905</u>

Expense recognised in the income and expenditure account

	2024	2023
	£'000	£'000
Operating costs: - current service cost	417	814
- administration costs	13	13
Amounts charged to operating costs	<u>430</u>	<u>827</u>
Net interest on net defined benefit liability	(696)	(99)
Amounts charged to interest expense	<u>(696)</u>	<u>(99)</u>

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

19.1 Pensions (continued)

The fair value of the plan assets and the return on those assets were as follows:

	2024	2024	2023	2023
	Fair	Fair	Fair	Fair
	value	value	value	value
	£'000	%	£'000	%
Equities	26,406	44.0	22,415	41.2
Bonds	13,003	21.0	12,644	23.3
Multi-asset credit	8,050	13.0	7,093	13.1
Property	9,413	16.0	5,725	10.5
Cash	3,482	6.0	6,457	11.9
	<u>60,354</u>		<u>54,334</u>	
Actual return on plan assets	<u>5,461</u>		<u>(5,400)</u>	

Principal actuarial assumptions: Financial assumptions

The principal actuarial assumptions used by the actuary (expressed as weighted averages) at the year-end were as follows:

Assumptions used for calculations	2024	2023
Discount rate	4.85%	4.75%
Future increase in retail price index	3.20%	3.20%
Future increase in consumer price index	2.80%	2.80%
Future rate of salary increase	4.30%	4.30%
Average future rate of pension increases	2.80%	2.80%

The main assumptions relating to member longevity underlying the pension liabilities at the balance sheet date are as follows:

Average expected future life expectancy after 65 for:	2024	2023
	Years	Years
Male staff currently aged 65	21.1	21.8
Female staff currently aged 65	24.0	24.6
Male currently aged 45	22.0	22.8
Female currently aged 45	25.0	25.7

Defined contributions plan

The Association operates a defined contribution pension plan. The total expense relating to these plans in the current year was £532k (2023: £459k).

19.2 Holiday Pay Entitlement

The employees of the Group have unused holiday entitlements at 31 March 2024 amounting to a liability of £267k (2023: £185k). These have been reported within staff costs and accruals.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

20 SHARE CAPITAL

	Parent and Group	
	2024	2023
	(Figures are in single pounds)	
<i>Ordinary shares of £1 each, fully paid</i>	£	£
At 1 April	48	67
Share capital issued, fully paid	8	-
Transfer to capital reserve	-	(19)
At 31 March	56	48

The Parent's share capital is classified as equity and the shares are not entitled to a dividend, are never redeemable, and will not be repaid if the Parent is wound up.

Every Board member has owned one share since their election to the Board. The names of all Board members who held office during the year are listed on page 2 and 3.

No Board member holds or exercised an option to buy shares in or debentures of the Parent.

21 RESERVES

Capital reserve

Capital reserve represents the value of shares surrendered on cessation of membership.

	Parent and Group	
	2024	2023
	(Figures are in single pounds)	
	£	£
At 1 April	156	137
Transfer from share capital	-	19
At 31 March	156	156

Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

22 CAPITAL COMMITMENTS

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Authorised and contracted for	133,031	132,537	132,072	131,914

The figures above are gross expenditure before offsetting attributable grants. The Group operates a prudent Treasury policy and has funding in place to meet these capital commitments.

23 RELATED PARTY TRANSACTIONS

Details of transactions with related parties during the financial year ended 31 March 2024 are shown below:

Nature of transaction	Amount	Balance due	Amount	Balance due
	Dr/(Cr)	from/(to)	Dr/(Cr)	from/(to)
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Comhar Facilities Management¹				
Services provided by Parent	(45)	16	(43)	13
Services provided by Group	(1,778)	392	(1,658)	602
Skainos²				
Service charges	78	78	55	-
Mullach Allainn Management Co³				
Service charges	1	-	1	-

The Group have availed of the exemption in FRS102 to not report related party transactions for 100% owned subsidiaries. The exemption has been adopted for Maple And May Ltd, Maple And May (Homes) Ltd and Choice Services (Ireland) Limited.

¹ Comhar Facilities Management Limited is a joint venture of the Parent.

² Skainos Limited is a property development partner and is considered to be a related party because the Parent has representation on its Board.

³ Mullach Allainn Management Company Limited is a management company of a housing scheme and is a wholly owned subsidiary which is not consolidated on the grounds of materiality.

All transactions with related parties are on an arms-length basis. There are no provisions against any balance with related parties at the year-end (2023: £nil).

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

24 CASHFLOW FROM OPERATING ACTIVITIES

	2024	2023
	£'000	£'000
Surplus for the year	14,565	1,467
Gain on disposal of tangible fixed assets	(3,285)	(4,186)
Exceptional item- disposal of subsidiary	-	16,393
Interest receivable and similar income	(1,143)	(2,641)
Interest payable and similar charges	9,219	12,370
Net finance charges relating to pension scheme	(696)	(99)
Gain on property valuation	(656)	(881)
Transfer to disposal proceeds fund	2,694	4,011
Movement in fair value of financial instruments	(199)	(419)
Taxation	375	130
Depreciation, impairment and write-off of major repairs on owned tangible fixed assets	32,580	25,600
Amortisation of capital grants and contributions	(11,235)	(13,376)
Pension costs less contributions payable	(870)	(664)
Decrease in stock and trading properties	618	(627)
Decrease/(increase) in trade and other debtors	(1,000)	(19,016)
Increase in trade and other creditors	6,019	15,591
Net cash inflow from operating activities	<u>46,986</u>	<u>33,653</u>

24.1 CASH INVESTMENTS

	2024	2023
	£'000	£'000
Cash Investments	<u>5,618</u>	<u>27,442</u>

Cash investments includes cash on deposit for more than 90 days.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

25 HOMES AND BEDSPACES IN MANAGEMENT AND IN DEVELOPMENT

The number of homes and bed-spaces in management and in development in Northern Ireland as at 31 March 2024 was 12,841 (2023: 12,765). This is analysed in the table below:

Number of units owned by the Parent	2024	2023
Self-contained	Properties	Properties
General needs housing- Social Rent	7,781	7,660
Sheltered housing	1,909	1,909
Supported housing	792	795
Shared ownership	2	1
	<u>10,484</u>	<u>10,365</u>
Non self-contained	Bedspaces	Bedspaces
General needs housing- Social rent	8	14
Supported housing	1,047	1,053
	<u>1,055</u>	<u>1,067</u>
Total units owned at year end	<u><u>11,539</u></u>	<u><u>11,432</u></u>
Number of units managed but not owned by the Parent		
Self-contained	Properties	Properties
General Needs Housing- Social rent	16	16
Sheltered Housing	-	-
Total units managed at year end	<u>16</u>	<u>16</u>
Total units owned and managed by the Parent	11,555	11,448
Maple And May Ltd	<u>286</u>	<u>266</u>
Total units managed by the Group	<u>11,841</u>	<u>11,714</u>
Units in development at the year end	<u><u>1,000</u></u>	<u><u>1,051</u></u>

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

26 FINANCIAL INSTRUMENTS

Carrying amounts of financial instruments held at other than fair value:

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Assets measured at amortised cost				
Cash and cash equivalents	9,000	7,398	6,331	5,523
Cash investments	5,618	27,442	5,618	27,442
Trade and other debtors	25,866	50,534	39,129	60,321
Liabilities measured at amortised cost				
Debt	(306,886)	(313,733)	(300,136)	(306,983)
Trade and other payables	(18,884)	(14,220)	(18,112)	(12,397)
	<u>(285,286)</u>	<u>(242,579)</u>	<u>(267,170)</u>	<u>(226,094)</u>

Financial instruments measured at fair value:

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<i>Derivatives- Level 2</i>				
Interest rate swap	(1,079)	(1,381)	(1,079)	(1,381)
Interest rate collar	(415)	(573)	(415)	(573)
Interest rate swap	194	-	194	-
Carrying value	<u>(1,300)</u>	<u>(1,954)</u>	<u>(1,300)</u>	<u>(1,954)</u>

The Group has the following derivative financial instruments which have been measured at fair value:

- Barclays £20m interest rate swap
- Barclays £10m interest rate collar
- National Westminster Bank £35m interest rate swap

The fair values of the interest rate swaps and collars is based on discounting estimated cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

26 FINANCIAL INSTRUMENTS (continued)

26.1 HEDGE ACCOUNTING

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur as required by FRS 102.29(a) for the cash flow hedge accounting models.

Hedging Cash Flows

Group

Derivatives	Carrying amount £'000	Expected cash flows £'000	1 year or less £'000	1 to < 2 years £'000	2 to < 5 years £'000	5 years and over £'000
2024						
Inflows		31,860	(33,490)	2,425	6,390	56,535
Outflows		(33,841)	33,496	(2,503)	(7,347)	(57,487)
	(1,300)	(1,981)	6	(78)	(957)	(952)
2023						
Inflows		15,091	1,173	1,093	2,953	9,871
Outflows		(18,130)	(1,291)	(1,290)	(3,766)	(11,784)
	(1,954)	(3,039)	(118)	(197)	(813)	(1,913)

Company

Derivatives	Carrying amount £'000	Expected cash flows £'000	1 year or less £'000	1 to < 2 years £'000	2 to < 5 years £'000	5 years and over £'000
2024						
Inflows		31,860	(33,490)	2,425	6,390	56,535
Outflows		(33,841)	33,496	(2,503)	(7,347)	(57,487)
	(1,300)	(1,981)	6	(78)	(957)	(952)
2023						
Inflows		15,091	1,173	1,093	2,953	9,871
Outflows		(18,130)	(1,291)	(1,290)	(3,766)	(11,784)
	(1,954)	(3,039)	(118)	(197)	(813)	(1,913)

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

26 FINANCIAL INSTRUMENTS (continued)

26.1 HEDGE ACCOUNTING (continued)

Reconciliation of fair value measurements of financial liabilities

Group	Interest rate swap £'000	Interest rate collar £'000	Interest rate swap £'000	2024 Total £'000	2023 Total £'000
Fair value liability at 1 April	1,381	573	-	1,954	3,287
<i>Movements recognised in Income and Expenditure</i>					
Ineffective portion of (gains)/losses on derivatives treated as cash-flow hedges	1	(200)	-	(199)	(419)
Fair value movement on derivative contracts which are not in a hedging relationship	-	-	-	-	-
<i>Movements recognised in other comprehensive income</i>					
Effective portion of changes in fair value of cash-flow hedges	(303)	42	(194)	(455)	(8,480)
Disposal of subsidiary	-	-	-	-	7,566
Fair value liability at 31 March	1,079	415	(194)	1,300	1,954

The interest rate swaps and interest rate collar are hedge accounted.

Parent	Interest rate swap £'000	Interest rate collar £'000	Interest rate swap £'000	2024 Total £'000	2023 Total £'000
Fair value liability at 1 April	1,381	573	-	1,954	5,224
<i>Movements recognised in Income and Expenditure</i>					
Ineffective portion of (gains)/losses on derivatives treated as cash-flow hedges	1	(200)	-	(199)	(181)
Fair value movement on derivative contracts which are not in a hedging relationship	-	-	-	-	-
<i>Movements recognised in other comprehensive income</i>					
Effective portion of changes in fair value of cash-flow hedges	(303)	42	(194)	(455)	(3,089)
Fair value liability at 31 March	1,079	415	(194)	1,300	1,954

The interest rate swaps and interest rate collar are hedge accounted.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

26 FINANCIAL INSTRUMENTS (continued)

26.1 HEDGE ACCOUNTING (continued)

Summary of hedges

Financial instrument - Barclays £20m interest rate swap

- Hedge description- The objective of the hedge is to mitigate the variability of the cash flows stemming from the floating rate interest payments related to the Barclays floating rate loan £20m (2040) against unfavourable movements in the SONIA rate. The swap pays a fixed interest rate and receives a floating interest rate.
- Risk being hedged- The cash flows stemming from the interest payments of the Barclays floating rate loan £20m (2040) is linked to SONIA. The interest payments are highly expected to occur as the loan has already been drawn. The hedged documentation takes into account the "critical terms matching". Quantitative analysis on hedge effectiveness is calculated using the hypothetical derivative method, to ensure that no over-hedging is taking place.

Financial instrument - Barclays £10m interest rate collar

- Hedge description- The objective of the hedge is to mitigate the variability of the cash flows stemming from the floating rate interest payments related to the Barclays floating loan £10m (2040), against unfavourable movements in the SONIA rate. The instrument includes a cap at 6% and floor of 4.5%.
- Risk being hedged- The cash flows stemming from the interest payments of the Barclays floating loan £10m (2040) is linked to SONIA. The interest payments are highly expected to occur as the loan has already been drawn. The hedged documentation takes into account the "critical terms matching". Quantitative analysis on hedge effectiveness is calculated using the hypothetical derivative method, to ensure that no over-hedging is taking place.

Financial instrument – National Westminster Bank £35m interest rate swap

- Hedge description- The objective of the hedge is to mitigate the variability of the cash flows stemming from the floating rate interest payments related to the National Westminster Bank floating rate loan £35m (2038) against unfavourable movements in the SONIA rate. The swap pays a fixed interest rate and receives a floating interest rate.
- Risk being hedged- The cash flows stemming from the interest payments of the National Westminster Bank floating rate loan £35m (2038) is linked to SONIA. The hedged documentation takes into account the "critical terms matching". Quantitative analysis on hedge effectiveness is calculated using the hypothetical derivative method, to ensure that no over-hedging is taking place.

CHOICE HOUSING IRELAND LIMITED
Annual Report and Financial Statements
For the Year Ended 31 March 2024

NOTES (continued)

27 LEASING COMMITMENTS

Non-cancellable operating lease rentals are payable as follows:

	Group		Parent	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Less than one year	530	419	530	419
Between one and five years	960	1,190	960	1,190
More than five years	-	-	-	-
	1,490	1,609	1,490	1,609

During the year £571k (2023: £372k) was recognised as an expense in the income and expenditure account in respect of operating leases.

28 CONTINGENT LIABILITIES

There is a contingent liability in respect of grants and contributions if the Group does not comply with the terms of the letter of grant award. The Housing Association Grant for Eligible Housing Activities General (Northern Ireland) Determination 1992, known as the 'General Determination', gives details of a number of relevant events that trigger grant recovery. The possibility of any reimbursement is considered to be remote.

29 POST BALANCE SHEET EVENTS

There have been no significant events subsequent to year end that would require adjustment or disclosure in these financial statements.