ANNUAL REPORT & ACCOUNTS 2014

Co-Ownership Housing®

Chair's Annual Report
to the Annual General Meeting 2014

2014 has been a year of some very big numbers for Co-Ownership. We have supported many families and individuals to purchase a home and, in doing so, injected very significant sums into the Northern Ireland economy. Before long we expect to purchase the 25,000th Co-Ownership home in Northern Ireland - a huge achievement and one of which we can justifiably be proud.

Having recently had the privilege of being welcomed into the homes of several Co-Ownership purchasers, I have seen that the human impact of what we do can be literally life-changing. We are making possible housing choice for people today and a better financial future for them tomorrow, an inspiring prospect indeed.

Performance Highlights

Operations

There were 1,815 applications for Co-Ownership assistance during the year, the largest number ever received. Thanks to the continued support of our private funders, Bank of Ireland and Barclays, and of the Department for Social Development, we were able to deal with every application received.

1,223 property purchases on behalf of Co-Ownership clients were claimed to take up £51.5m in housing association grant this year. That is against a most stretching target of 1,200 property purchases. 140 out of these 1,223 properties had not yet completed at 31 March, but were eligible for claiming, and 1,083 had completed. This meant a closing stock of 6,899 properties and a carry over of almost 500 "live" applications into the next financial year.

Utilising grant and private finance we purchased properties worth £140m in-year [2012: £105m]. 43% were new build homes at a total value of £64m [2013: £41m].

In year ending 31 March 2014 the average purchase price overall was £110,246, or £118,640 for new build properties and £104,035 for existing properties.

Early indications are that the 2015 financial year will remain at least equally busy, with applications for Co-Ownership assistance running at a similar level to last year during our first quarter.

The Board, executive management team and staff have worked strenuously to achieve this year's performance targets; all the more creditable in the midst of a major ongoing infrastructure project for our premises as well as an organisational structure and staffing review. We have expanded our complement of staff, restructured the organisation to align with the Board's strategic vision, and committed to doubling our city centre office accommodation in Murray House.

Funding

We began 2014 with a grant allocation of £25m, and received additional blocks of grant in-year so that we actually claimed a total of £51.5m [2013: £38m] in Housing Association Grant to invest in the purchase of properties. £11.4m of the £51.5m grant allocation was pending at 31 March, and has since been received.

Our grant allocation for 2015 is once again £25m. As demand for our services continues at a high level, we will therefore be bidding for additional grant funding early in the new financial year. Although we are hopeful of some success, we are never complacent. We remain very much aware of the demands on government budgets going forward and will therefore keep in place contingency plans to ensure we help as many aspiring purchasers as we can, with whatever additional funding we can secure.

Essentially, the grant element fulfils two purposes: it serves to lever in private funding and to support the purchase of properties through the Co-Ownership scheme (on a percentage basis per property). Grant monies are then repaid in full upon disposal of the property.

The flow of funds to and from our sponsoring Department (Department for Social Development) can be seen in the two tables below.

Table 1: Grant Monies From DSD Allocated Towards Co-Ownership Property Purchases

Financial Year	Properties Purchased	Grant Contribution
2014	**1,223**	**£51.5m**
	693	£25m
	198	£10m
	102	£5m
	207	£10m
	23	£1.5m
2013	**957**	**£38m**
2012	**625**	**£28.25m**

Table 2: Grant Monies Repaid to DSD from Property Disposals

Number of Property Disposals by Year		Proceeds from these Property Disposals	Grant Funded Element, Repayable to DSD
2014	**193**	£7,352,208.00	£4,988,543.04
2013	**155**	£5,784,834.50	£3,293,570.93
2012	**159**	£5,703,783.13	£3,249.660.79

£42m of our current £50m loan facility had been drawn down by year end, which falls within our profiled private finance requirements. We continue to perform well against all banking covenants.

This year's annual rent increase was 2.6% [2013: 3.1%], reflecting RPI and applied from April 2014. We collected just over £8m this year in rents [2013: rental income £7m] representing 100.1% [2013: 99.99%] of the total rent charge of £8,274,707.06 [2012: £7,171,711.12] against a target of ≥98%. Due largely to increasing stock levels, we are now anticipating that the year ahead will see a Co-Ownership rent roll topping £9m for the first time. Against this background it is all the more creditable to note that the number and amount of arrears cases have both fallen in-year.

Strategic Summary		31 March 2014
Property Purchases		**1,083**
Disposals - Staircasing	107	
Disposals - Repossessions	86	193
Housing Stock		**6,899**
Rental Income		**£8,068,350**
Operating Costs		-£2,622,486
Operating Surplus		**£5,445,864**
Deficit on Property Disposals		-£6,807,207
Finance Costs		-£1,464,361
Exceptional Items		£167,277
Deficit for Period		**-£2,658,427**
Investment in Housing Units		£140.3m
Loan Drawn Down		£42m
Net Worth (Excludes Pension Liability)		**£89.2m**

Our operating surplus increased by almost £2m [2013: £3.64m] on the previous year and our overall deficit for the period decreased by approximately £359,448. Although in general the performance of the great majority of Co-Ownership home owners remains very positive, there were 74 disposals of properties taken into possession for mortgage arrears (a level not dissimilar to the 64 in 2013 and 84 in 2012). The sale prices achieved were modest and thus led to an increase in the deficit figure of approximately £1m compared to the previous year.

Audit and Inspection

Once again we received a clean audit from our external auditors, PricewaterhouseCoopers and a very positive overall satisfactory assurance from our internal auditors, Deloitte, following a comprehensive review programme.

The organisation also received a satisfactory level of assurance in all areas from the Department for Social Development following its Round 2 inspection of the organisation, its financial management and corporate governance.

The Board was particularly pleased to note that the Inspection Team recognised the commitment of our staff to delivering a quality service and the expertise they brought to bear in the workplace. We have always recognised and valued the vital contribution our staff make to ensuring that our service is as effective and customer focused as possible. This year especially, our staff have effectively doubled the level of planned activity while maintaining their usual high standards. The Board is very appreciative of the good teamwork, personal commitment and cohesive leadership evidenced by the Chief Executive, senior management and staff.

Rent to Purchase Initiative

As an organisation we see that there are aspiring home owners whose circumstances mean that, even through a scheme with the breadth of reach of Co-Ownership, they cannot currently buy a home. We therefore bid for loan funding under Get Britain Building Round 2 to develop and operate a pilot scheme to help the renters of today become the home owners of tomorrow. This initiative will be additional and complementary to the Co-Ownership scheme and I am pleased to confirm that we have been successful in our bid. In total, the Department for Social Development will be making some £12.5m available to us; I look forward to reporting further in due course.

Board of Management

The Board met on 25 occasions this year, including the work of its standing committees (there were 13 committee meetings). A two day residential strategy workshop for the Board and senior management also took place in March.

The individual members invested a significant level of their time and resource in contributing to the business of the Board. Out of a potential 193 separate attendances at these Board and Committee meetings I am very pleased to report that 154 were achieved, maintaining last year's already impressive average attendance rate of 79%.

In total, £2,305.20 was reimbursed to Board members by way of travelling expenses for attendance at meetings, briefings and conferences. All service by Board members is on a voluntary basis, with time and expertise freely donated to the work of the organisation.

The Board's standing committees played an active role during the year. With the Chairs Group serving as sponsor and steering group, we began a major staffing and structural review in 2013 to position and challenge the organisation to deliver change and innovation. This review was almost fully implemented before the end of March. In parallel, we focused on streamlining the Board's operations to suit. One of the fruits of this highly successful work at committee level was a decision to restructure the Board's workstreams into three committees rather than the previous four and review the role of Vice Chair. We ended the year with a Chairs Group, an Audit Risk and Governance Committee and a Finance, HR and Corporate Services Committee. Terms of reference for each committee and role profiles for officers were likewise revisited, the net result of which was a finer focus on delivering cultural and operational change for our organisation.

Looking ahead, the Board is enthusiastic and committed to playing a proactive role in bringing about its strategic objectives to:

- increase capacity and market share through product improvements and innovations
- increase housing market supply and interdependence through new alliances.

We said goodbye to two serving Board members during the year in Carol Kinkead and Jennifer Kenna, and welcomed on board Jack Hood, John Hannaway and Maureen Taggart. On behalf of the Board I would like to record our best wishes for our former colleagues and a warm welcome to our newest members.

During the winter period I took a temporary leave of absence, and I cannot conclude this report without expressing my deep appreciation for the support I received over that period and thereafter. The Board members – all very experienced and talented individuals, responded constructively to the challenge and performed marvellously as a team. I would like to commend especially the excellent contribution of Gary Lyons, who took on the leadership mantle over a very busy period. We were all delighted that he agreed to continue to give us the benefit of his inclusive and insightful style as our Vice Chair. With John Hannaway now chairing the Audit Risk and Governance Committee and Maureen Taggart chairing Finance, HR and Corporate Services we have a strong team at the helm of a first rate Board.

Thank you all, each and every one.

Sid McDowell

Sidney McDowell CBE
Chair

Our Ref

Your Ref

Registered number: IP 200

Co-Ownership Housing®

Northern Ireland Co-Ownership Housing Association Limited

Annual report and financial statements for the year ended 31 March 2014

Northern Ireland Co-Ownership Housing Association Limited

Annual report and financial statements for the year ended 31 March 2014

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G Lyons (Vice Chair)
S Lennox
J Kenna (resigned 26/11/2013)
C Kinkead (resigned 07/02/2014)
J Hood (appointed 29/05/2013)
J Hannaway (Treasurer) (appointed 29/05/2013)
A Kilpatrick (appointed 27/06/2013)
M Taggart (appointed 27/01/2014)

Chief Executive

A Crowe

Company secretary

G Hughes

Registered office

Murray House
Murray Street
Belfast
BT1 6DN

Solicitors

Johns Elliot
40 Linenhall Street
Belfast
BT2 8BA

Bankers

Bank of Ireland Limited
4 - 10 High Street
Belfast
BT1 2BA

Barclays Commercial Bank
7 Donegall Square North
Belfast
BT1 5GB

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Report of the Board of Management for the year ended 31 March 2014

The Board of Management presents its annual report and the audited financial statements for the year ended 31 March 2014.

Principal activity

The principal activity of the Association remains unchanged and is the provision of affordable social housing on an equity sharing basis for persons in need thereof.

Review of business and future developments

During the year ended 31 March 2013 the Association secured a £50m four year term financing facility from its two bankers in place of the previous £48 million facility. At 31 March 2014 the cumulative draw down against the facility was £42m (2013: £36m).

In 2014 the Association incurred losses of £5.7m (2013: £4.9m) on property sales and at the year end had 40 properties subject to repossession orders. As a consequence of the experience of incurring losses on repossessed disposals, the Association has maintained the exceptional impairment provision of £3.1m in respect of anticipated losses arising on these 40 properties. While the level of repossession sales increased to 86 this year (2013: 72), normal staircasing activity remained subdued in reflection of the fragile mortgage and property market; in total there were 193 property sales in 2014 (2013: 155).

In 2014, as in 2013, additional levels of HAG were made available to the Association in-year from the initially agreed £25m to a total of £51.5m As a result it was able to utilise the grant to deliver further properties through its Co-Ownership Scheme and surpass its programme for government undertaking. The Board will continue to seek additional HAG to maximise property delivery in 2014.

After property disposals and interest, the Association incurred a deficit of £2.8m (2013: £3.6m) for the year. Excluding non-recurring items, the Association actually improved its operating position during the financial year – a surplus of £3.2 million in 2013 was increased to £5.3 million in the current year.

Going forward, the Board of Management remains confident that the Association will continue to generate sufficient operating surplus to cover its financing costs and, subject to it continuing to receive the agreed revised level of HAG annually, will be able at a minimum to deliver on its programme for government undertakings. Mindful of ongoing and anticipated developments in the changing landscape of housing in Northern Ireland, the Board will continue to explore opportunities for enhancement of its existing scheme and services going forward.

Environment

The Association recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts.

Health and safety

The Association is committed to achieving the highest practicable standards in health and safety management and strives to make its offices a safe environment for both employees and customers alike.

Human resources

The Association's most important resource is its people; their knowledge and experience is crucial to meeting customer requirements. Annual appraisal procedures have been established to maintain standards of performance. To ensure that staffing and structures continue to reflect business needs the Board commissioned an organisational review in 2013, for implementation in 2014.

Financial risk management

The Association's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The Association has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Association by regular review of activity levels against changing market conditions and adjustment to cashflows/projections accordingly. The Association liaises with lenders, financial adviser networks and independent financial advisers on an ongoing basis to keep up to date with other products in the market place.

Report of the Board of Management for the year ended 31 March 2014 (continued)

Price risk

The nature of operations undertaken by the Association exposes it to a number of inherent price risk factors. By rigidly adhering to a tendering process in place for all expenditure over £5,000, in line with public sector tendering requirements, the Association is customarily able to determine and agree favourable prices. Therefore, the risk management strategies and operational processes employed by the Association ensure that such exposure is controlled.

Credit risk

Levels of rent collectibles are set in line with the corporate plan and cashflow forecasts. Strict procedures are in place and levels of arrears are regularly reviewed, monitored and reported to the Board on a monthly basis.

Interest rate risk

The Association has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances, all of which earn interest. Interest bearing liabilities consist of bank loans that bear interest at normal commercial rates. In order to manage the impact of interest rate fluctuations the Association has implemented a hedging strategy.

The Board of Management and executive directors

The Board of Management and executive directors of the Association are listed on page 1.

Each past and present member of the Board of Management holds one non-equity share of £1 in the Association. The Chief Executive of the Association holds no interest in the Association's share capital and although not having the legal status of director he acts as executive within the authority delegated by the Board.

Results

As referred to in the Review of business and future developments on page 2, the deficit for the year amounted to £2,846,427 (2013: deficit £3,618,711). The deficit was due, in large measure, to non-recurring items and accordingly the Board of Management are satisfied with the underlying financial performance of the Association.

Funding

At the year end the company had cash balances of £13.3m, net current assets of £14.4m and total net assets in excess of £87m. In addition it has undrawn financing facilities of £8m (£50m - £42m drawn down). Accordingly, the Board is confident that the Association will have sufficient finance to fund its ongoing activities whereby it continues to be appropriate to adopt the going concern basis in the preparation of the annual financial statements. Whilst the current facilities are not due for renewal until October 2016, the Association is currently considering future refinancing arrangements.

SORP - Accounting for Registered Social Landlords

The Association has implemented the SORP 2010 for the year ended 31 March 2014.

Internal financial control

The Board of Management is responsible for ensuring that the Association has established and maintains an effective system of internal financial control to ensure the reliability of financial information, the maintenance of proper accounting records and the safeguarding of assets against unauthorised use or disposition in accordance with the requirement of the Department for Social Development's Code of Audit Practice. The operation of internal financial control is delegated to the Senior Executive Officers on a day to day basis; however the Board of Management reviews the operation of those controls in the following ways:

Report of the Board of Management for the year ended 31 March 2014 (continued)

Internal financial control (continued)

The Association has a clearly defined organisational structure based upon a system of delegation and authorisation, which includes the Board of Management where appropriate. The levels of authority are set out in Financial Regulations and similar documents which have been adopted by the Board of Management and are subject to periodic review. These are supported by detailed procedures which seek clearly to define operations, controls and authorisation levels and limitations so as to ensure the completeness, accuracy and reliability of transactions and information.

Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance.

The Association reviews the effectiveness of the system of internal financial control through participation in the Audit, Risk & Governance Committee. That Committee reviews reports from management, from the internal auditors and from the external auditors and seeks to obtain reasonable assurance that control procedures are in place and are being followed. This includes a review of the major risks facing the Association. The Audit, Risk & Governance Committee approves an annual internal audit plan, considers recommendations and agrees appropriate responses and action with the Senior Executive Officers. The Committee generally meets four times during the year. The internal auditors also attend meetings and they have unrestricted access to the Chairman of the Committee. The Senior Executive Officers attend meetings when required. The minutes of the Committee are formally recorded.

The Board of Management receives the annual report of the internal auditors.

The Association maintains a 3 year rolling strategy. A detailed annual budget and cash flow statement are maintained. The Board of Management reviews these documents in detail and receives regular reports from the Senior Executive Officers, including management accounts and performance indicators, prepared promptly. These are compared with the planning and budgeting documents to monitor key business and financial activities and identify any activities or developments which require intervention or modification.

All new initiatives, major commitments and investment projects are subject to formal appraisal and authorisation procedures by the Board of Management.

The Internal Audit Plan reflects the risk management policy and the risk 'map' it contains so that internal audit resources are directed towards testing the risks and their control mechanisms which the policy identifies. Control is further reinforced by comprehensive measurement of, analysis of, and reporting and acting upon, performance data.

The Board of Management recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that the key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguard of the Association's assets and interests.

Northern Ireland Co Ownership Housing Association Limited is committed to the highest standards of quality, probity, openness and accountability and has in place a confidential reporting system.

Report of the Board of Management for the year ended 31 March 2014 (continued)

Statement of the Board of Management's responsibilities

The Board is responsible for preparing the financial statements in accordance with applicable laws and regulations.

The Industrial and Provident Societies Act (Northern Ireland) 1993 and registered housing association legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of the Association's affairs and of its surplus or deficit for that period. In preparing these statements the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Industrial and Provident Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. It has general responsibility for the taking of reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

Statement of disclosure of information to auditors

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

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board of Management

G Hughes
Company Secretary
30 June 2014

Independent auditors' report to the members of Northern Ireland Co-Ownership Housing Association Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the registered provider's affairs as at 31 March 2014 and of the registered provider's income and expenditure and cash flows for the year then ended; and
- have been properly prepared in accordance with the Industrial and Provident Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The registered provider financial statements (the "financial statements"), which are prepared by Northern Ireland Co-Ownership Housing Association Limited, comprise:

- the registered provider balance sheet as at 31 March 2014;
- the registered provider income and expenditure accounts for the year then ended;
- the cash flow statement for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).
In applying the financial reporting framework, the Board has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involve

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the registered provider's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Board; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matters on which we are required to report by exception

Adequacy of accounting records, system of internal control and information and explanations received

Under the Industrial and Provident Societies Act (Northern Ireland) 1969 we are required to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the registered provider; or
- the registered provider financial statements are not in agreement with the books of account.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Northern Ireland Co-Ownership Housing Association Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 5, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the registered provider's members as a body in accordance with section 43 of the Industrial and Provident Societies Act (Northern Ireland) 1969 and article 19 of The Housing (Northern Ireland) Order 1992 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Act (Northern Ireland) 1969 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Martin Pitt

Martin Pitt (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
30 June 2014

Income and expenditure account for the year ended 31 March 2014

	Note	2014 £	2013 £
Turnover	2	**8,197,233**	7,239,860
Cost of sales	2	**(132,883)**	(286,244)
Operating costs	3	**(2,734,176)**	(3,717,377)
Operating surplus	3	**5,330,174**	3,236,239
Deficit on sale of housing properties	6	**(1,155,527)**	(826,702)
Repossession of properties	6	**(5,650,713)**	(4,947,327)
Interest receivable and similar income	7	**56,343**	246,077
Interest payable and similar charges	8	**(1,520,704)**	(1,310,998)
Other finance income/(costs)	9	**94,000**	(16,000)
Deficit for the financial year	21	**(2,846,427)**	(3,618,711)

All amounts above relate to the continuing operations of the Association.

There is no material difference between the deficit for the financial years stated above, and the historical cost equivalent.

Statement of total recognised gains and losses for the year ended 31 March 2014

	2014 £	2013 £
Deficit for the financial year	**(2,846,427)**	(3,618,711)
Actuarial surplus/(deficit) recognised in pension scheme (note 19)	**188,000**	(156,000)
Total recognised losses relating to the financial year	**(2,658,427)**	(3,774,711)

Reconciliation of movements in total capital and reserves for the year ended 31 March 2014

	2014 £	2013 £
Deficit for the financial year	**(2,846,427)**	(3,618,711)
Actuarial surplus/(deficit) recognised in pension scheme (note 19)	**188,000**	(156,000)
New share capital issued	**4**	4
Net addition to capital and reserves	**(2,658,423)**	(3,774,707)
Opening total capital and reserves	**90,383,009**	94,157,716
Closing total capital and reserves	**87,724,586**	90,383,009

Balance sheet as at 31 March 2014

	Note	2014 £	2013 £
Fixed assets			
Housing properties	10	**310,902,998**	265,973,221
Housing Association Grant	11	**(194,223,634)**	(152,180,970)
		116,679,364	113,792,251
Other tangible assets	12	**116,867**	128,280
		116,796,231	113,920,531
Current assets			
Stock	10	**100,000**	150,000
Debtors: amounts falling due after more than one year	13	**13,500**	21,750
Debtors: amounts falling due within one year	14	**11,689,629**	7,161,747
Investments	15	**8,267**	8,234
Cash at bank and in hand		**13,317,216**	12,127,110
		25,128,612	19,468,841
Creditors: amounts falling due within one year	16	**(10,746,257)**	(5,324,363)
Net current assets		**14,382,355**	14,144,478
Total assets less current liabilities		**131,178,586**	128,065,009
Creditors: amounts falling due after more than one year	17	**(42,000,000)**	(36,000,000)
Net assets excluding pension deficit		**89,178,586**	92,065,009
Pension deficit	19	**(1,454,000)**	(1,682,000)
Net assets including pension deficit		**87,724,586**	90,383,009
Capital and reserves			
Called up share capital	20	**49**	45
Revenue reserves	21	**1,244,000**	1,244,000
Designated reserves	22	**86,480,537**	89,138,964
Total capital and reserves		**87,724,586**	90,383,009

The financial statements on pages 8 to 25 were approved by the Board of Management on 30 June 2014 and were signed on its behalf by:

S McDowell – **Chairman**

A Crowe – **Chief Executive**

J Hannaway – **Treasurer**

G Hughes – **Company Secretary**

Registered number: IP 200

Cash flow statement for the year ended 31 March 2014

	Notes	2014	2013
		£	£
Net cash inflow from operating activities	23	**5,556,027**	3,694,833
Returns on investments and servicing of finance			
Interest received		**56,343**	246,077
Interest paid		**(1,520,704)**	(1,310,998)
		(1,464,361)	(1,064,921)
Capital expenditure			
Purchase of properties		**(57,001,633)**	(47,772,422)
Housing Association Grant received for purchase of properties		**47,063,644**	40,690,504
Sale of properties		**5,265,616**	3,935,182
Housing Association Grant repaid on sale of properties		**(4,168,971)**	(3,059,275)
Purchase of other tangible fixed assets		**(68,437)**	(59,122)
		(8,909,781)	(6,265,133)
Net cash outflow before management of liquid resources and financing		**(4,818,115)**	(3,635,221)
Management of liquid resources			
Increase in short term deposits with banks		**(33)**	(237)
Financing			
New long term loans		**6,000,000**	5,500,000
Loan advance repaid		**8,250**	6,000
Issue of ordinary share capital		**4**	4
Net cash inflow from financing		**6,008,254**	5,506,004
Increase in cash in the year	24-25	**1,190,106**	1,870,546

Notes to the financial statements for the year ended 31 March 2014

1 Accounting policies

These financial statements are prepared on the going concern basis under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom, including the Industrial and Provident Societies Act (Northern Ireland) 1969 and 1976, the Statement of Recommended Practice 'Accounting by Registered Social Landlords' issued in 2010 'SORP 2010, the Registered Housing Associations (Accounting Requirements) (Northern Ireland) Order 1983 as amended by the Registered Housing Associations (Amendment) Order (Northern Ireland) 1992 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. The principal accounting policies adopted which have been applied consistently throughout the year are set out below.

Housing properties

Special purpose scheme housing

These properties represent housing purchased by the Association to secure a supply of affordable homes for future co-ownership leaseholders.

In accordance with SORP 2010 sales proceeds are accounted for in the income and expenditure account with proceeds recorded in turnover and costs in cost of sales. Properties at the year end are included in stocks and are valued at the lower of cost (purchase price together with any incidental costs of acquisition) and net realisable value.

Other housing properties

Other housing properties are stated at cost which is purchase price together with any incidental costs of acquisition. These properties are effectively purchased concurrently by the Association and participants and so are disclosed in fixed assets at the cost to the Association with the participants' net investment also disclosed in the housing properties note to the financial statements.

Unlike special purpose scheme housing, the initial cost of the houses is not split between current and fixed assets since the Association and the participant effectively purchase their respective shares simultaneously. The circumstances of this type of transaction means that no gain nor loss will ever be made by the Association on first tranche sales and so the proceeds and costs are not shown in turnover or cost of sales as is the policy for special purpose scheme houses. This allows the Association to present a true and fair view of the commercial reality behind such a co-ownership scenario.

Impairment

Any impairment in the value of the housing properties is charged to the income and expenditure account in the year in which it is first recognised.

Housing Association Grant

Where the cost of properties has been financed by Housing Association Grant (HAG), paid by the Department for Social Development, the effect is to reduce the cost of the investment in properties to the amount which can be recovered from net rental income. The amounts of the grants received are shown separately on the balance sheet. The net cost of investment in properties is financed by long term loans.

Housing Association Grant (HAG) is offset against the cost of housing properties on the face of the balance sheet. The Companies Act 2006 requires tangible fixed assets to be included at purchase price, or production cost, less any provision for depreciation or diminution in value. However, this requirement conflicts with the generally accepted accounting principles for housing associations set out in the SORP 2010. The purpose of HAG is to subsidise the capital cost of affordable housing, and that income from properties is a function of net cost. Accordingly, management consider it necessary to adopt the accounting treatment set out in the SORP 2010 to give a true and fair view.

HAG is repayable under certain circumstances, primarily following the sale of a property. Provision for repayment is made where applicable in the balance sheet when properties which have had HAG funding are sold.

Taxation

As a registered social landlord with charitable status, the Association is not subject to taxation.

Notes to the financial statements for the year ended 31 March 2014

1 Accounting policies (continued)

Other tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their historic purchase cost, together with any incidental costs of acquisition. Depreciation is calculated after allowing for grants received, so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

	%
Leasehold improvements	10
Office equipment	25
Fixtures and fittings	10

Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful for collection.

Housing loans

All borrowings are initially stated at the fair value of the consideration received. Finance costs are charged to the income and expenditure account over the term of the borrowings. Interest payable but not yet paid at the year end is shown as accrued interest within creditors due within one year.

Turnover

Turnover represents rental income receivable net of bad debts and sales of SPS properties (recognised when the sale contract has been completed).

Value added tax

Expenses include value added tax.

Operating leases

Rentals paid under operating leases are charged to the Income and Expenditure Account as incurred.

Pension funding

Retirement benefits to employees of the Association are provided by the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme.

In respect of this scheme, the Association's staff constitutes only a small percentage of the overall membership. The Association has no influence over the level of contributions.

The assets of the NILGOSC scheme are held separately from those of the Association. The Association has adopted FRS 17 'Retirement Benefits' in these financial statements. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability. The increase in the present value of the liabilities of the Association's defined benefit pension scheme arising from employee service in the year is charged to operating surplus. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the statement of total recognised surpluses and deficits.

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

Notes to the financial statements for the year ended 31 March 2014

1 Accounting policies (continued)

Revenue reserves

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

Designated reserve – property purchase

All other reserves are treated as designated reserves as they are required to fund the Association's investment in housing properties and thus are not available for future general use. Amounts so invested during the year (expenditure net of HAG received and repayable less disposals and net bank finance received) are transferred from this property purchase reserve to revenue reserves. After making such transfers, a further transfer to/from revenue reserves is made representing future proposed property purchases.

2 Lettings and other related information

	2014	2013
Turnover	**£**	£
Rents	**8,151,233**	7,087,860
SPS property sales	**46,000**	152,000
	8,197,233	7,239,860
Cost of sales		
Rents	**(82,883)**	(70,894)
SPS property sales	**(50,000)**	(215,350)
	(132,883)	(286,244)
Gross Surplus	**8,064,350**	6,953,616
Operating costs*		
Valuation fees	**(244,206)**	(214,885)
Management	**(2,439,003)**	(3,475,440)
Property impairment and SPS running incomes/(costs)	**3,033**	(4,052)
Non cash pension costs	**(54,000)**	(23,000)
	(2,734,176)	(3,717,377)
Operating surplus	**5,330,174**	3,236,239
Deficit on sale of housing properties	**(6,806,240)**	(5,774,029)
Interest*		
Interest receivable and other income (note 7)	**56,343**	246,077
Interest payable and similar charges (note 8)	**(1,520,704)**	(1,310,998)
Other finance income/(costs) (note 9)	**94,000**	(16,000)
	(8,176,601)	(6,854,950)
Deficit for the year	**(2,846,427)**	(3,618,711)

* Operating costs and interest have not been allocated to individual activities as, in the opinion of the Board of Management; it is impracticable to specifically apportion expenditure.

No further turnover analysis has been required because all properties held by the Association are on a shared ownership basis.

Notes to the financial statements for the year ended 31 March 2014

2 Lettings and other related information (continued)

Turnover from lettings

	2014	2013
	£	£
Rents	**8,242,467**	7,145,683
Bad debts written off	**(91,234)**	(57,823)
	8,151,233	7,087,860

3 Operating surplus

	2014	2013
	£	£
Operating surplus is stated after charging/(crediting):		
Staff costs, excluding pension (note 4)	**1,496,681**	1,369,100
Pension (note 4) – contributions	**233,790**	207,465
- non cash charges	**54,000**	23,000
Depreciation of tangible fixed assets		
- owned assets (note 12)	**80,124**	126,605
Release of other tangible fixed asset grant	-	(56,935)
Profit on Redemption of Habitat Loan	**4,500**	-
Property impairment – SPS properties	**1,467**	4,052
Loss on sale of SPS properties	**4,000**	25,850
Operating lease rentals	**113,277**	120,246
Fees payable to the company's auditor for the audit of the financial statements	**21,630**	18,525
Fees payable to the company's auditor for other services in respect of:		
- assistance with refinancing in 2012	-	224,630
- Project One	**5,400**	-

4 Employee information

	2014	2013
	£	£
Staff costs		
Wages and salaries	**1,397,417**	1,277,472
Social security costs	**99,264**	91,628
	1,496,681	1,369,100
Pension contributions	**233,790**	207,465
	1,730,471	1,576,565
Other pension costs	**54,000**	23,000
	1,784,471	1,599,565

Notes to the financial statements for the year ended 31 March 2014

4 Employee information (continued)

	2014 Number	2013 Number
Average monthly number of persons employed by the Association (including the Chief Executive and excluding the board members) during the year by activity:		
Administration and finance	**44**	43

5 Directors' emoluments

The remuneration of directors (defined as the Board of Management and the Chief Executive) of the Association during the year was:

	2014	2013
	£	£
Aggregate emoluments	**112,497**	107,151
Pension contributions to money purchase schemes	**20,791**	18,743
	133,288	125,894

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

The emoluments represent those of the highest paid director.

6 Deficit on sale of housing properties

	2014	2013
	£	£
Sales	**5,265,615**	3,935,182
Cost of sales (note 10)	**(12,071,855)**	(9,709,211)
	(6,806,240)	(5,774,029)

Comprising:

	£	**£**
Repossession of properties	**(5,650,713)**	(4,947,327)
Other disposals	**(1,155,527)**	(826,702)
	(6,806,240)	(5,774,029)

Notes to the financial statements for the year ended 31 March 2014

7 Interest receivable and similar income

	2014	2013
	£	£
Interest receivable	**56,343**	246,077

8 Interest payable and similar charges

	2014	2013
	£	£
Interest payable and similar charges on bank loans and overdrafts	**1,520,704**	1,310,998

9 Other finance income/(costs)

	2014	2013
	£	£
Expected return on pension scheme assets (note 19)	**501,000**	351,000
Interest on pension scheme liabilities (note 19)	**(407,000)**	(367,000)
Net income/(costs)	**94,000**	(16,000)

Notes to the financial statements for the year ended 31 March 2014

10 Housing properties

	Cost £	Participants' net Investment £	Association investment £
At 1 April 2013	585,451,208	(317,007,022)	268,444,186
Transfers of completed schemes and additions in the year less decrease in accrual	125,252,970	(68,901,328)	56,351,642
Disposals	(21,710,800)	9,638,945	(12,071,855)
At 31 March 2014	**688,993,378**	**(376,269,405)**	**312,723,973**
Impairment			
Recognised in the year end balance at 31 March 2014 and at 31 March 2013	-	-	**(3,100,000)**
Uncompleted schemes and additions			
Balance at 1 April 2013			629,035
Additions			57,181,508
Transfers			(56,351,643)
At 31 March 2014			**1,458,900**
Rebuys			**(179,875)**
Total cost of the Association's investment and partially completed properties			
At 31 March 2014			**310,902,998**
At 31 March 2013			265,973,221

The above properties are held subject to ninety-nine year leases to the occupiers. The leases give the Association power to repossess the properties in the event of non-compliance with any of the conditions set out in the lease. The occupier, known as the participant, must normally contribute a minimum of 50% of the funding of the property.

Capital commitments

The total cost to finalise uncompleted schemes and additions amounts to £19,755,354 of which £8,860,096 represents the Association's investment (2013: £16,613,350 and £7,651,299 respectively). In addition negotiations are in progress for the purchase of existing property at a total cost of £17,204,480 of which £7,617,775 represents the Association's investment (2013: £13,737,022 and £6,068,480 respectively).

Notes to the financial statements for the year ended 31 March 2014

10 Housing properties (continued)

Stocks - special purchase scheme housing

	2014	2013
Cost	**£**	£
At 1 April	**360,000**	788,436
Disposals	**(120,000)**	(428,436)
At 31 March	**240,000**	360,000
Provision for impairment		
At 1 April	**210,000**	423,086
Provision for the year	-	37,500
Disposals	**(70,000)**	(250,586)
At 31 March	**140,000**	210,000
At 31 March	**100,000**	150,000

11 Housing Association Grant

	2014	2013
	£	£
At 1 April	**152,180,970**	113,993,085
Receivable to March 2014	**51,499,150**	38,145,241
Receivable on firm offers in respect of March 2013	**2,397,035**	5,732,425
Legal Fees	**119,000**	-
Repayable - on disposal	**(4,988,494)**	(3,293,571)
- firm offers	**(6,984,027)**	(2,396,210)
At 31 March	**194,223,634**	152,180,970

Notes to the financial statements for the year ended 31 March 2014

12 Other tangible fixed assets

	Fixtures and fittings £	Office Equipment £	Total £
Cost			
At 1 April 2013	92,608	323,949	416,557
Additions	4,897	63,540	68,437
Disposals	(30,973)	(93,603)	(124,576)
At 31 March 2014	**66,532**	**293,886**	**360,418**
Accumulated depreciation			
At 1 April 2013	68,442	219,835	288,277
Charge for the year	6,653	73,197	79,850
Disposals	(30,973)	(93,603)	(124,576)
At 31 March 2014	**44,122**	**199,429**	**243,551**
Net book amount			
At 31 March 2014	**22,410**	**94,457**	**116,867**
At 31 March 2013	24,166	104,114	128,280

13 Debtors: amounts falling due after more than one year

	2014 £	2013 £
Loan advance	**13,500**	21,750

The association advanced an interest free loan of £120,000 to 'Habitat for Humanity' to enable the latter to purchase eight properties at £15,000 each. The Association's interest is secured by way of a statutory mortgage over each of the properties. The loan is repayable to the Association over a period of 20 years. The balance of the loan has been reduced to £18,750 at 31 March 2014 (2013: £27,750).

14 Debtors: amounts falling due within one year

	2014 £	2013 £
Rent debtors	**425,122**	433,529
Less: bad debts provision	**(242,847)**	(217,608)
	182,275	215,921
HAG receivable - completed properties	**4,431,846**	4,464,332
- firm offers	**6,984,027**	2,396,210
Prepayments and accrued income	**86,231**	79,284
Loan advance	**5,250**	6,000
	11,689,629	7,161,747

Notes to the financial statements for the year ended 31 March 2014

15 Investments

	2014	2013
	£	£
Short term deposits	**8,267**	8,234

16 Creditors: amounts falling due within one year

	2014	2013
	£	£
HAG repayable - on disposal	**2,866,634**	2,047,111
- firm offers	**6,984,027**	2,396,210
Participants' deposits	**98,142**	89,160
Other creditors	**441,246**	416,803
Accruals and deferred income	**356,208**	375,079
	10,746,257	5,324,363

17 Creditors: amounts falling due after more than one year

	2014	2013
	£	£
Bank loan (note 18)	**42,000,000**	36,000,000

Security

The bank loan is secured by a floating charge over all the assets of Northern Ireland Co-Ownership Housing Association Limited.

18 Loans and other borrowings

	2014	2013
	£	£
Bank loans and overdrafts	**42,000,000**	36,000,000
Maturity of financial liabilities:		
In more than two years, but not more than five years	**42,000,000**	36,000,000
	42,000,000	36,000,000

The Association has recently received acceptable terms for the renewal and extension of current loan facilities. These terms provide facilities of £50 million that will expire in 2016. As loans at 31 March 2014 were refinanced in accordance with the foregoing terms, they have been disclosed as being repayable in more than two years.

Notes to the financial statements for the year ended 31 March 2014

19 Pension commitments

The net pension deficit shown below under Financial Reporting Standard 17 'Retirement benefits' does not represent a shortfall which requires short term cash funding. The amount shown below is calculated to comply with the Financial Reporting Standard, the specific requirements of which differ from the basis on which pension liabilities are actuarially calculated for the purpose of the ongoing funding of the scheme. The Financial Reporting Standard requires:

(i) actuarial deficiencies to be recognised immediately as a liability in the financial statements rather than being spread forward over employees' remaining service lives; and

(ii) the actuary, in valuing the scheme's liabilities, is required to use a bond yield as the discount rate for valuing future liabilities, rather than a rate that reflects the expected return on the scheme's particular asset portfolio, with the result of an apparent increase in the present value of future longer term liabilities.

FRS 17 'Retirement benefits' figures in relation to employees and ex-employees who are members of the NILGOSC pension scheme.

The most recent valuation was conducted as at 31 March 2014 by a qualified actuary for the purpose of the disclosures below.

The major assumptions used by the actuary were:

	2014	2013	2012
Rate of increase in salaries	**3.9%**	5.2%	4.8%
Rate of increase in pensions in payment	**2.4%**	2.8%	2.5%
Discount rate	**4.3%**	4.5%	4.8%
Inflation assumption	**2.4%**	2.8%	2.5%

The mortality assumptions used were as follows:

	2014 Years	2013 Years	2012 Years
Longevity at age 65 for current pensioners:			
- Men	**22.1**	23.2	22.9
- Women	**24.6**	26.1	25.7
Longevity at age 65 for future pensioners:			
- Men	**24.3**	25.2	24.9
- Women	**26.9**	28.1	27.7

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

	Long term rate of return expected at 31 March 2014 %	**Value at 31 March 2014 £'000**	Long term rate of return expected at 31 March 2013 %	Value at 31 March 2013 £'000
Equities	**7.6**	**5,788**	7.8	5,496
Property	**6.9**	**874**	7.3	560
Bonds	**3.4**	**935**	2.8	873
Cash	**0.9**	**203**	0.9	342
Total market value of assets		**7,800**		7,271
Present value of scheme liabilities		**(9,254)**		(8,953)
Net pension deficit		**(1,454)**		(1,682)

Notes to the financial statements for the year ended 31 March 2014

19 Pension commitments (continued)

Reconciliation of present value of scheme liabilities

	2014	2013
	£'000	£'000
At 1 April	8,953	7,592
Current service cost	283	231
Interest cost	407	367
Member contributions	76	73
Actuarial (gains)/losses	(307)	872
Benefits paid	(158)	(182)
At 31 March	9,254	8,953

Reconciliation of fair value of scheme assets

	2014	2013
	£'000	£'000
At 1 April	7,271	6,105
Expected return on assets	501	351
Member contributions	76	73
Employer contributions	229	208
Actuarial (losses)/gains	(119)	716
Benefits paid	(158)	(182)
At 31 March	7,800	7,271

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

	2014	2013
	£'000	£'000
Current service cost	283	231
Expected return on scheme assets	(501)	(351)
Interest on pension scheme liabilities	407	367
Total cost	189	247

Notes to the financial statements for the year ended 31 March 2014

19 Pension commitments (continued)

Amounts for current and previous four years:

	2014	2013	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets	7,800	7,271	6,105	5,965	5,100
Present value of defined benefit obligation	(9,254)	(8,953)	(7,592)	(6,966)	(8,549)
Deficit	(1,454)	(1,682)	(1,487)	(1,001)	(3,449)
Experience (losses)/gains on assets	(119)	716	(371)	312	1,246
Experience (gains)/losses on liabilities	(155)	5	(45)	-	-

Total amount recognised in the statement of total recognised gains and losses

	2014	2013	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000
Actuarial surplus/(deficit)	188	(156)	(491)	1,762	(2,132)

20 Called up share capital

Each past and present member of the Board of Management holds one non-equity share of £1 in the Association.

	2014	2013
	£	£
Allotted, issued and fully paid	49	45

21 Revenue reserves

	2014	2013
	£	£
Opening reserves	1,244,000	1,244,000
Actuarial surplus/(deficit)	188,000	(156,000)
	1,432,000	1,088,000
Net transfer from designated reserves (note 22)	2,658,427	3,774,711
Deficit for the financial year	(2,846,427)	(3,618,711)
Closing reserves	1,244,000	1,244,000

Revenue reserves represent 6 months committed operating costs.

Notes to the financial statements for the year ended 31 March 2014

22 Designated reserves

	Property purchase reserve £
At 1 April 2013	**89,138,964**
Transfer to revenue reserve (note 21)	**(2,658,427)**
At 31 March 2014	**86,480,537**

Designated reserves are the balance of reserves required to fund the Association's investment in housing properties.

23 Reconciliation of operating surplus to net cash inflow from operating activities

	2014 £	2013 £
Operating surplus	**5,330,174**	3,236,239
Depreciation charges	**79,850**	126,605
Release of other tangible fixed asset grant	-	(56,935)
Sale of SPS properties	**46,000**	152,000
Loss on sale of SPS properties	**4,000**	25,850
Impairment of SPS properties	-	37,500
Movement in debtors	**27,449**	18,762
Movement in creditors	**14,554**	131,812
Difference between pension charges and cash contributions	**54,000**	23,000
Net cash inflow from operating activities	**5,556,027**	3,694,833

24 Analysis of net funds

	1 April 2013 £	Cashflow £	**31 March 2014** £
Cash at bank and in hand	12,127,110	1,190,106	**13,317,216**
Short term deposits (note 15)	8,234	33	**8,267**
Net funds	12,135,344	1,190,139	**13,325.483**

25 Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
Increase in cash in the financial year	**1,190,106**	1,870,546
Movement in deposits	**33**	237
Movement in net funds in the financial year	**1,190,139**	1,870,783
Net funds at beginning of financial year	**12,135,344**	10,264,561
Net funds at end of the financial year	**13,325,483**	12,135,344

Notes to the financial statements for the year ended 31 March 2014

26 Operating lease commitments

At 31 March the Association had annual commitments under non-cancellable operating leases expiring as follows:

	Other 2014	Other 2013	**Land and buildings 2014**	Land and buildings 2013
	£	£	**£**	£
Within one year	**11,316**	4,098	**38,308**	-
Within two to five years	**19,548**	1,902	**-**	102,111

27 Legislative provisions

The Association is incorporated under the Industrial and Provident Societies Act (Northern Ireland) 1969.

Northern Ireland Co-Ownership Housing Association Limited

Analysis of operating costs for the year ended 31 March 2014

	2014	2013
	£	£
Personnel		
Salaries (excluding pensions)	**1,496,681**	1,369,100
Pension contributions	**233,790**	207,465
Other staff costs	**72,522**	66,904
	1,802,993	1,643,469
Non cash pension costs	**54,000**	23,000
	1,856,993	1,666,469
Establishment		
Property costs	**190,369**	195,749
Telephone	**18,680**	19,500
Depreciation	**79,850**	126,605
Release of other tangible fixed asset grant	-	(56,935)
	288,899	284,919
Administration		
Administration overheads	**72,810**	63,309
Computer costs	**42,570**	46,529
Professional fees	**101,047**	1,368,658
Advisor fees	-	-
General expenses	**102,037**	42,616
Marketing	**24,038**	21,634
Cashco	**4,609**	4,306
	347,111	1,547,052
Total management expenses	**2,493,003**	3,498,440
Valuation fees	**244,206**	214,885
Running costs of SPS properties	**(3,033)**	4,052
Total operating costs	**2,734,176**	3,717,377