

Co%ownership Annual Report

2025/26



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About us

Co-Ownership is the regional body for shared ownership in Northern Ireland. We are a registered housing association, an industrial and provident society regulated and funded by Department for Communities and are registered with the Charity Commission for Northern Ireland.

At Co-Ownership, our purpose is to make home ownership achievable for those who can't do it alone. Our vision is to lead the way in affordable home ownership, helping more people take their first steps into home ownership.

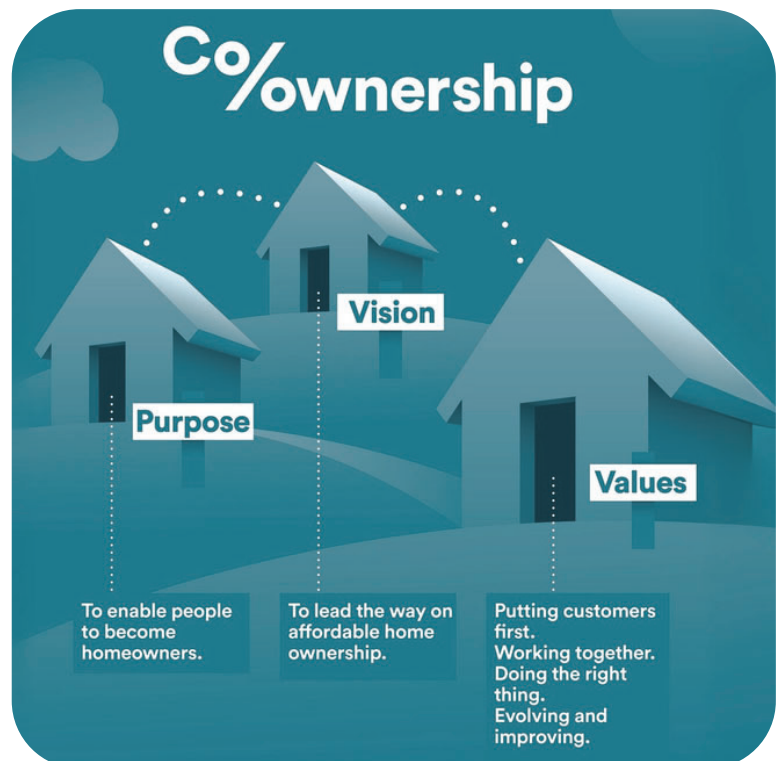
As a not-for-profit organisation, we exist to serve people. We have a strong social purpose and put people at the heart of everything we do, while maintaining a clear commercial focus to ensure sustainability and impact.

Our ambition is to broaden our reach and deepen our impact across society. We're committed to treating our customers fairly and with respect in every interaction. We understand that many people face barriers to buying a home, whether it's saving for a deposit, earning a low income, or having non-permanent employment.

We offer two pathways to support aspiring homeowners:

- **Co-Own**
- **Co-Own for Over 55s.**

Since 1978, we've helped over 35,000 people in Northern Ireland buy a home, and today, more than 11,000 people are living in homes they co-own with us.



Chair and Chief Executive's Report

Looking back over the last 12 months it's great to see the growth in the number of people we have helped, with 961 new customers, an increase of 8% over the year before. That figure includes 23 customers we helped with our Co-Own for Over 55 product. Over the year 770 of our customers bought out our share and became full homeowners - a 40% increase from the previous year.

This was the first year of our 4 year funding arrangement with the government to deliver 4,000 homes. The funding of £153m will fund 25% of each home bought with the remainder coming from our surplus, customers mortgages and deposits. The funding is a loan, Financial Transaction Capital, which will be repaid as our customers buy out, providing value for money for government.

We saw a welcome increase in the number of new builds we purchased up from 18% the previous year to 25% in 2025/26. Of the 242 new build homes, 67 came from mixed tenure developments where homes were specifically built for Co-Ownership customers. These homes came from developments delivered through housing associations, such as the Radius development at the St Patrick's regeneration scheme in Ballymena, the Apex development at Blackridge Hill in Belfast, and private developers. As local development plans are implemented across each of the councils and mixed tenure development becomes the norm, we expect to see more homes become available to our customers through this route. This is likely to become an increasingly important option for our customers as the building of new homes continues to stall through a mixture of viability and infrastructure issues. The lack of investment in wastewater capacity is going to limit house building in several areas over the coming years.

Affordable homes being delivered via planning conditions is new in Northern Ireland so this year, along with the Chartered Institute of Housing, we organised a series of workshops to find practical solutions to the challenges developers are facing in delivering affordable homes through the planning system. Working with stakeholders across statutory, private and third sectors we had constructive discussions and have agreed an action plan which has been published.

Listening to our customers, it's clear that they continue to face challenges in finding a suitable home. Mortgage rates fell slightly over the year only to increase again with the global tensions. At the same time, we have seen Northern Ireland house prices increase by 7.4% over the year, inevitably creating affordability pressures as mortgage costs and inflation remain relatively high. Our customers are increasingly finding it difficult to find homes they can afford even with the help of Co-Ownership. There is also a general lack of supply in the market adding to the competition for homes.

Helping our customers achieve their dream of owning their own home requires working with partners right across the housing industry. One critical element is ensuring our customers have access to a range of competitive mortgages. Our customers have a choice of nine mortgage providers and importantly three of those mortgage providers, AIB, Danske and Progressive Building Society, do not require a deposit. This is vital to many of our customers as having enough savings for a deposit is often as big a challenge as the cost of the mortgage.

We use our membership of the Institute of Customer Service to benchmark and improve our service delivery, and we were delighted that we have achieved the highest possible assessment of ServiceMark with Distinction. We are the only organisation in NI to have achieved this. This year the Institute of Customer Services surveyed our customers who had contact with Co-Ownership to create our 'trust index'. This independent methodology enables organisations to benchmark trust in their organisation and identify opportunities to build customer trust. Co-Ownership achieved a Trust Index score of 90.3 compared to a UK Trust benchmarking average 77.5 which is a fantastic result and places us in the top quartile of organisations in the UK.

That we deliver great customer service is of course due to the great team of people that work in Co-Ownership. We work constantly to create an engaged, skilled and high performing team. We continue to support people's learning and it was great to see a number of people achieve their customer service qualifications with the Institute of Customer Services. We strive to be a socially responsible business and it was great to see this recognised when we achieved Business in the Community's corporate responsibility and sustainability accreditation CORE Silver. Amongst our initiatives on the environment, we provided grants for our customers to make their homes more energy efficient and carried out tree planting in Craigavon.

The financial performance for the year has been strong and the financial position at the end of the year is robust. The surplus generated will be reinvested into homes, helping more people into home ownership.

On behalf of the Board, our thanks are due to our staff for their performance throughout the year. They continue to be the foundation of our success. We are also grateful to our partners in the Department for Communities for their continuing support, and to the range of stakeholders whose support is so essential to our continued success.



Mark Graham
Chief Executive



Derek Wilson
Chair



Year at a Glance 2025/26



£161m

Total value of homes purchased



£167,180

Average purchase price



961

Homes purchased



25%

New build properties



95%

of customers would recommend us



11,024

Total co-owners



770

Customers bought out

Co-Own customer profile



Over 55s customer profile

938

People helped

33

Average age

45%

From rental market

23

People helped

67

Average age

39%

From rental market

91%

First time buyer

£29,860

Annual earned income

52%

Retired

£98,526

Average customer contribution

Performance Highlights

Applications

A total of 2,158 applications were received for Co-Own during 2025-26 compared to 2,008 applications in 2024-25. This represents an increase of 7%. 62 applications for Co-Own for Over 55s were received during 2025-26.

Property purchasing activity

Overall, 961 Co-Ownership customers received keys to their home. The total value of homes purchased was £161m. In total, we ended the year with stock of 11,024 Co-Ownership homes.

House prices

During 2025-26, the average Co-Ownership purchase price was £167,180. The average price for new build properties was £190,022 and £159,492 for existing build properties. The average purchase price for a property in Northern Ireland was £198,015 as of March 2026 (Source: NISRA NI House Price Index, January to March 2026).

New build housing

During 2025-26, 242 of the 961 Co-Ownership properties purchased overall were new builds (25%). Armagh, Banbridge and Craigavon council area recorded the highest volume of new build completions during 2025-26. New build purchases were recorded across all council areas.



Semi-detached
54%



Terrace/Townhouse
32%



Apartment
11%



Detached
3%

Property Type

Overall, semi-detached remained the most purchased property type during 2025-26; more than half of Co-Ownership customers purchased this property type (54%). This was followed by terrace/townhouses (32%), apartments (11%) and detached (3%).

Property value limit

Following in year review, the property value limit for Co-Ownership increased from £210,000 to £215,000 on 14 April 2026.

Deposit

During 2025-26, over half of Co-Own purchasers were able to access home ownership without a deposit (52%). The average deposit amount for a Co-Own customer during 2025-26 was £12,220 whilst the average deposit amount for first time buyers in Northern Ireland was around three times higher at around £40,165[1].

First time buyers

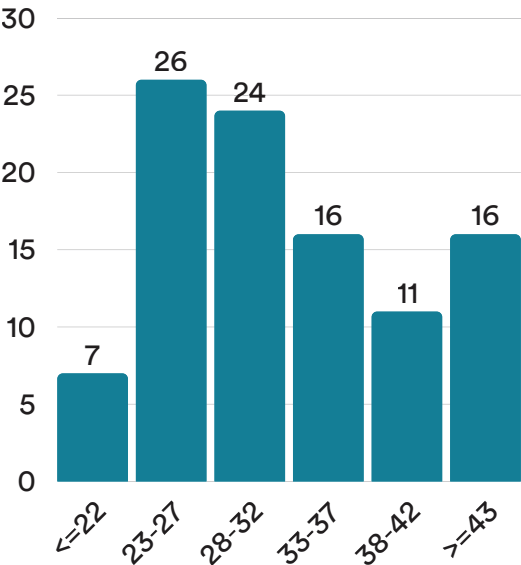
During 2025-26, 91% of Co-Own purchasers were first time buyers while 9% were returning homebuyers.

Age

The average age of a Co-Own customer during 2025-26 was 33[2] (down slightly from 34 during 2024-25).

The most common age groups of Co-Own customers remain unchanged; those aged 23 to 27 and 28 to 32 were found to be most likely to purchase their home with Co-Ownership.

Co-Own purchasers by age band (%)



Earnings

During 2025-26, the median gross annual earnings for a Co-Own customer was £29,000. This represents an increase of 7% from last year.

Previous tenure

Of those Co-Ownership customers who received keys to their home during 2025-26, 53% were previously living with family or friends, while 45% were living in the private rented sector. A small proportion were from either social housing (1%) or were previous homeowners (1%) using the Co-Own for Over 55s product.

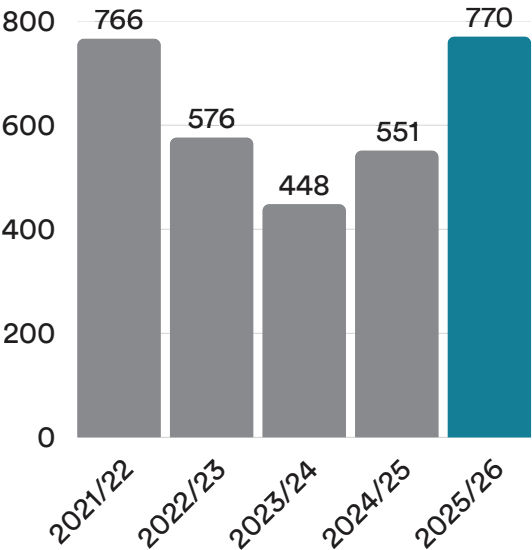
Buying out

During 2025-26, 770 Co-Ownership customers fully bought out the remaining share in their property. There were 147 part buy outs recorded, up from 102 during 2024-25.

Rent to Own

During 2025-26, 2 Rent to Own tenants purchased a property. 1 bought with a full mortgage and 1 bought with Co-Own.

Buying Out Levels



[1] UK Finance, 2025

[2] Lead applicant

Performance highlights

Co-Own for Over 55s

Since its launch in June 2022, Co-Own for Over 55s has helped 74 customers move to a home that better meets their needs. Of the 23 that purchased during 2025-26, 39% were previously living in the private rented sector, 35% were living with family or friends, and 26% were previous homeowners. A quarter (26%) were first time buyers and on average customers contributed £98,526 towards their purchase from savings and/or equity in their current home. The average age of a customer was 67 and 52% were fully retired.

New build homes only available through Co-Ownership

A significant change to residential development across Northern Ireland is now well underway. This is part of the Local Development Plans which are being delivered through the planning system, where councils require developers to include affordable homes within new developments to meet local housing need.

Depending on the needs of an area, these affordable homes may be provided as social homes, affordable rent or as homes that are only available to buy through Co-Ownership (known as intermediate for sale homes). This gives more people the opportunity to buy a new build home who might otherwise be unable to do so. During the year 2025/26, 67 homes for Co-Ownership customers came via this route.



Environmental, Social and Governance Report

We continue to recognise the wider impact of our work and endeavour to make a positive impact on society whilst minimising our environmental footprint. The practical application of our values ‘putting customers first’ and ‘doing the right thing’ is evident through our strong focus on Environmental, Social and Governance, (ESG).

Environmental

We continued to progress our Climate Change Strategy and Action Plan in the year, aiming to be a voice for the owner occupier sector, encourage customers to improve energy and carbon efficiency in their homes, and to lead by example by reducing the carbon footprint of our premises.

Throughout the year we continued to deliver information to our customers on energy saving measures to support them with the rising cost of living. In the period, we also continued to offer targeted grant schemes to support customers in improving the energy efficiency of their homes.

Additionally, we continued our environmental efforts under the framework of our Business in the Community CORE accreditation, the standard for responsible business in Northern Ireland. We were delighted to achieve Silver level in their accreditation.

In the year, staff volunteers supported a tree planting initiative at Slantry Wood, near Portadown. Working with the Conservation Volunteers and Armagh, Banbridge and Craigavon Council, some council owned land was made available to Co-Ownership to plant up to 2000 trees, extending the existing Slantry Wood. Our team of volunteers made a fantastic start, planting over 500 trees on the site which were a variety of native species. We will continue this in the coming years until the site is fully planted.



Our efforts to encourage biodiversity are somewhat limited by our city centre location, so we have sought ways to work in partnership to encourage biodiversity through sponsorship of a beehive with Compass Advocacy Network at Lislagan Farm, Ballymoney. Bees play a crucial role in biodiversity by pollinating a wide variety of flowering plants, which helps these plants reproduce and maintain healthy ecosystems.

Social

In the year we continued to extend our reach into the wider community through distribution of our Community Fund which makes available grants up to a total of £20,000 annually. Additionally, we seek to make a positive contribution to society through our corporate fundraising, and volunteering with local organisations.

We continued our partnership with Belfast Mela, remaining a Friend of Mela and supporting them in their celebration of diversity and encouraging inclusion.

In the reporting period staff delivered 17.5 days of volunteering help to various charities. This included an organised event with Simon Community. Staff spent a day preparing welcome packs for Simon Community homeless clients.

Fundraising

Once again, our staff demonstrated their generosity and team spirit by getting involved with our fundraising events for our chosen charity, the Kevin Bell Repatriation Trust (KBRT), raising £4,308 in the period.

We are proud to have supported KBRT, whose aim is to provide financial assistance and practical guidance to families across the island of Ireland whose loved ones have died when abroad.



We also continued our Christmas gift partnership with Barnardo's Family Bereavement Service.

Our staff continue to show great generosity with Christmas gifts and vouchers to support families who have been impacted by bereavement.

Fundraising continued

In the year, we continued to offer a fund of up to £6,000 per annum which is available for worthy causes nominated by staff.

In 2025/26 donations from the fund were made to the following charities:

Pulmonary Fibrosis	SARDA IN	Tor Bank School
Integrated AlumNI	Action for Pulmonary Fibrosis	NI Children to Lapland
Street Soccer NI	Simon Community	Cavaliers in Need
Caring Breaks	Lislea Men's Shed	Charis
Children's Heartbeat Trust	Friends of St Teresa's	Marrowbone Community Association
81st Belfast Scout group	St John Baptist COI	Crossroads Care NI
Therapy Dogs Nationwide	Friends of Mitchell House	Guide Dogs NI

We are delighted to further increase our impact in the community through these efforts.



Governance

Co-Ownership is governed by a Board of Management, made up of non-executive directors elected from our shareholders. The Board complies with a Code of Governance based on the National Housing Federation Model Code of Governance.

Board members are unpaid volunteers, with their time and expertise freely given to the work of Co-Ownership.

Board members act collectively; they do not have individual executive authority. However, as individuals they are responsible for upholding the values and principles of Co-Ownership and for contributing their personal skills, knowledge and experience to our work.

As non-executives, the Board delegates day-to-day responsibility for the operation of the business to the executive management team via a Delegated Authority Policy clearly outlining board and executive responsibilities. The Board met 5 times in the year with an overall attendance rate of 72%.

Individual Attendance rates were:

Derek Wilson	75%
Norman McKeown	81%
Gillian Greer (stood down Sept 25).....	75%
Alastair Coulson (stood down Sept 25).....	40%
Alan Ledlie (stood down Sept 25).....	16%
Audrey Fleming (stood down Sept 25).....	50%
Jordan Buchanan.....	90%
Daniel Egerton	50%
Paul Buggy	88%
Andrea McKellar	100%
Angela Wiggam.....	54%
Kerry Reynolds (co-opted Jan 26)	100%
Aaron Russell (co-opted Jan 26)	100%
Mark Spence	55%

Gender balance on the board throughout the period was 38% female, 62% male.

We noted a number of departures from the Board in the year, including Alastair Coulson, Alan Ledlie, Audrey Fleming and Gillian Greer. We thank them for their professionalism and insight during their tenure and shall miss their expertise.

Audit, Risk & Governance Committee Chair's Report

The Committee met 4 times in the year, supporting the Board by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the findings and recommendations of any authorised investigations. Following a rebalancing of the Board's committee structures and workload, we also took on oversight of digital programme risk and climate change reporting.

Key areas of focus included:

- regular review of risks to ensure appropriate mitigations are in place
- operational resilience, IT and information security, including the continuing cyber threat
- monitoring of climate change reporting
- review of internal audit reports and resulting actions, plus development of the internal audit plan
- review and agreement on the approach to external audit and timeline with external audit
- review and approval of regulatory returns
- reviewing insurance cover to ensure appropriate levels were in place
- review and approval of updates to governance policies.

The Committee was satisfied that the control environment remained robust, resulting in a satisfactory level of assurance, (the highest possible) from internal audit as well as a clean audit result following external audit by BDO. Overall, the Committee remains satisfied with adherence to audit, risk and governance requirements.

Andrea McKellar

Chair of Audit, Risk & Governance Committee



Finance, People & Performance Committee Chair's Report

The Committee met 6 times in the year supporting the Board on matters relating to:

- finance; including financial risk management, maximising funding opportunities, compliance with funding terms, treasury management, budgetary control and procurement
- operations: review of the operational performance of the organisation.

As well as ongoing oversight of these central business functions, the Committee's key areas of focus in the year included:

- financial and operational performance
- DfC and private funding levels and covenant performance
- review and approval of various business cases
- review of audited accounts and auditors report
- review of Legal and Contract Registers
- oversight of the Digital programme and ICT performance
- a strategic review of ICT service provision.

Following a rebalancing of the Board's committee structures and workload, we also took on oversight of human resource matters.

Overall, the Committee is content with the operational and financial performance of Co-Ownership.

Norman McKeown

Chair of Finance, People and Performance Committee



Board Members



Derek Wilson
Chair



Gillian Greer
Vice Chair



Mark Spence



Norman McKeown



Alastair Coulson



Audrey Fleming



Jordan Buchanan



Alan Ledlie



Daniel Egerton



Paul Buggy



Andrea McKellar



Angela Wiggam



Kerry Reynolds



Aaron Russell

Financial Performance

Co-Ownership has produced a group surplus of £28.5m for the year ended 31 March 2026, which compares favourably to a surplus of £22.0m in the previous financial year. This surplus will be used to help more people into home ownership next year.

Financial Performance

Income increased by 32% to £69.4m, primarily reflecting a 45% increase in turnover from the sale of homes to £51.6m, resulting from an increase in customer buying out activity.

Buying out activity was strong, with volumes being 40% higher and resulted in a £5.8m increase in surpluses on the sale of housing properties to £13.6m.

Following an impairment review, a further provision release of £1m was added to the surplus, as house prices continued to increase and repossessions levels were very low throughout the year.

Rental income increased by 5% to £17.7m with the number of homes benefitting from Co-Ownership's help increasing by 180 to 11,024.

Operating Costs increased by £0.4m to £6.1m, reflecting higher marketing expenditure, increased valuation activity, and greater charitable donations. Interest receivable on investments has increased by £0.3m to £3.5m.

Financial Position

The balance sheet remains strong, with net assets having increased by £28m to £209m by 31 March 2026.

During 2025/26 the Group helped new customers by investing £65m into homes, which together with customer contributions of £96m represented a £161m investment in the Northern Ireland property market. After taking account of buying out, the Group's investment in housing properties increased to £567m at the year end.

Cash and deposit balances increased by £17m to £94m and provide good liquidity for the operations into the future.

Funding

The investments in housing property investments have been funded by a combination of loans from the Department for Communities alongside bank borrowings and surpluses.



The Department for Communities continued support for affordable housing through the provision of £38.3m of Financial Transaction Capital during the year.

During 2025/26 sales proceeds generated £12.3m of grant repayable to the Department for Communities and in addition Co-Ownership also made £7.5m of loan repayments to the Department. Ownco Homes Limited made a £6m loan repayment to the Department for Communities, following it stopping taking new applications.

Loan facilities totalling £65m are in place with Bank of Ireland until 2029 with £30m of this facility having a fixed interest rate for the term of the loan. The bank debt was drawn at £30m at the year end.

Conclusion

Overall, the financial performance, financial position and funding arrangements are strong and provided a robust platform to move into the next financial year.

Value for Money Report summary

We continue to deliver value for money in the four key areas.

Impact on our community

We continued to make a positive impact on communities across Northern Ireland by helping more people achieve home ownership, with home acceptances increasing to 967 and 242 new-build homes purchased during the year. Through promoting mixed-tenure developments, supporting the supply of affordable housing, and working with mortgage lenders to improve access to finance, we helped remove barriers to home ownership while contributing £161m to the local housing market.

Impact on Customer Services

Providing an excellent customer experience remains central to our work. During the year, we achieved an outstanding Net Promoter Score of +95, maintained fast application processing times, and launched a new website to make our services even more accessible. Independent assessments continue to rank us among the UK's leading service providers, while our Trustpilot score of 4.9 out of 5 reflects the high levels of satisfaction and trust our customers place in Co-Ownership.



Impact on Use of Operations

We continued to strengthen our operations by enhancing digital services, launching a new website, improving customer processes, and investing in a modernised ICT operating model. Robust governance, strong cyber security controls, and continued ISO 27001 accreditation ensure our services remain secure, resilient and efficient, while leadership development and fraud prevention measures support our long-term effectiveness.

Impact on our Resources

We continued to deliver strong value for money by securing £38m of government funding to support a new programme of 4,000 affordable homes, maintaining 100% rent collection, and generating £55m for reinvestment in new homes and loan repayments. Our efficient operations ensure the majority of income is reinvested directly into helping more people achieve home ownership.

Financial Statements



**Northern Ireland Co-Ownership Housing
Association Limited
Annual report and financial statements
for the year ended 31 March 2026**

Northern Ireland Co-Ownership Housing Association Limited

Annual report and financial statements for the year ended 31 March 2026

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Northern Ireland Co-Ownership Housing Association Limited

Board of management and advisers

Board of management

Derek Wilson (Chair)
Jordan Buchanan
Paul Buggy
Alastair Coulson (resigned 25 September 2025)
Daniel Egerton
Audrey Fleming (resigned 25 September 2025)
Gillian Greer (resigned 25 September 2025)
Alan Ledlie (resigned 25 September 2025)
David McGarry (co-opted 23 April 2026)
Andrea McKellar
Norman McKeown (resigned 25 June 2026)
Richard Monds (co-opted 23 April 2026)
Kerry Reynolds (co-opted 15 January 2026)
Aaron Russell (co-opted 15 January 2026)
Mark Spence (appointed 25 September 2025)
Angela Wiggam

Chief executive

Mark Graham

Secretary

Gillian Hughes

Registered office

Moneda House
25-27 Wellington Place
Belfast
BT1 6GD

Bankers

Bank of Ireland
1 Donegall Square South
Belfast
BT1 5LR

Independent auditors

BDO Northern Ireland
Chartered Accountants and Statutory Auditors
Metro Building, 1st Floor
6-9 Donegall Square South
Belfast
BT1 5JA

Solicitors

A&L Goodbody Northern Ireland LLP
42-46 Fountain Street
Belfast
BT1 5EF

Cleaver Fulton Rankin Limited
50 Bedford Street
Belfast
BT2 7FW

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report

The Board of Management ("Board") presents its report, including its strategic report, for the year ended 31 March 2026 for Northern Ireland Co-Ownership Housing Association Limited ("Co-Ownership") and its subsidiary (together the "Group"). The wholly owned subsidiary of Co-Ownership is called Ownco Homes Limited ("Ownco").

Co-Ownership is a registered charity with the Charity Commission for Northern Ireland. The Board of Co-Ownership are the directors of the company and are the trustees of the charity.

1. Strategic

Principal activity

The principal activity of Co-Ownership remains unchanged and is the provision of intermediate housing on a shared ownership basis for persons in need thereof. Co-Ownership provides a public benefit through helping enable families and individuals, who meet the criteria for relief of those in need, to have a home of their own through shared ownership. Ownco complements the Group by providing a route to home ownership when a full mortgage or Co-Ownership are currently unattainable.

Our Purpose: To enable people to become homeowners.

Our Vision: To lead the way on affordable home ownership.

Our Values: Putting customers first, working together, doing the right thing, and evolving and improving.

Whilst the Group operates on not-for-profit principles, the generation of an annual surplus is vital to ensure the ongoing investment in new homes, to meet the commitments to lenders, and to generally ensure adequate protection against unforeseen circumstances.

Co-Ownership has developed a three year corporate plan which sets out an ambition to deliver on four primary objectives. These objectives are to extend its reach and impact on society, to be the best we can be for our customers, to be strong advocates and trusted partners for home ownership and to be a great place to work with high performing teams delivering our service. The plan is on track to deliver the objectives within the agreed timetable.

The key strengths of the Group which enable its primary objectives to be met are:

- A customer centric focus;
- A commitment to the highest standards of corporate governance;
- A financial position which secures the confidence of funders, facilitating future investment and strategic growth opportunities; and
- Professional and dedicated staff who are committed to the Group's objectives.

Review of business and future developments

During the year Co-Ownership helped customers purchase a total of 961 (2025: 886) properties and as a result the housing property portfolio increased in value from £541m to £564m. Staircasing activity levels were stronger, despite only a modest reduction in mortgage rates, with 770 full property sales transactions (2025: 551) and 147 partial staircases (2025: 102). The level of repossession sales remained low and totalled 11 for the year (2025: 14). At 31 March 2026 Co-Ownership had interests in 11,024 homes (2025: 10,844).

The Board continues to explore opportunities for enhancement of its services going forward, in response to a changing housing market. Interest in the Over 55 product, launched in 2022, has grown and 23 households were helped into their new home during the year bringing the total since launch to 74. A new website was launched, which has been specifically designed to enhance customer experience.

The underlying need for affordable homes in Northern Ireland remains strong, although a lack of supply of homes and economic uncertainty are challenges home buyers will continue to face in the year ahead. More mixed tenure developments are being built following changes to local development plans by Councils and Co-Ownership continues to advocate the need for more intermediate housing.

Ownco sold 3 property sales in the year, leaving 13 houses held in stock at 31 March 2026. Given the low levels of purchases in recent years, the decision to stop taking new applications was taken in April 2025. The existing tenancies are unaffected.

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report (continued)

2. Financial

Financial performance

The Group surplus for the year amounted to £28.5m (2025: surplus £22.0m). The increase is primarily due to an increase in the surplus on the sale of housing properties to £14.6m (2025: £8.9m) as detailed in note 9, and an increase in rents to £17.7m (2025: £16.8m).

The Department for Communities (DfC) provided Co-Ownership with Financial Transaction Capital of £38.3m by way of long term loans during the year, which together with Co-Ownership's own resources funded the investment in homes. This was the first year of the four-year programme to help a further 4,000 households buy their own home, with the support of a £153m funding agreement with the DfC. During the year sales proceeds generated £12.3m of Housing Association Grant (HAG) repayable to DfC. In addition, Co-Ownership made £7.5m of loan repayments to DfC. Ownco made a £6.0m loan repayment to DfC following it stopping taking new applications.

A loan facility of £65m with Bank of Ireland remains in place for a further three years. Of this facility, £30m was drawn throughout the year.

At the year-end the Group had cash and deposit balances of £94m (2025: £77m), net current assets of £83m (2025: £68m) and total net assets of £209m (2025: £181m).

Co-Ownership'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. The rental income is anticipated to be £18m in the next financial year.

The Board are satisfied with the underlying financial performance of the Group. They are of the view that for the foreseeable future Co-Ownership will continue to generate sufficient operating surplus to cover its operating and financing costs and have sufficient finance to fund its ongoing activities for a period of at least 12 months. It therefore continues to adopt the going concern basis in the preparation of the annual financial statements.

Events after the balance sheet date

The Group has no post balance sheet date events to disclose.

Value for Money (VfM)

The focus on VfM and continuous improvement is an important aspect to the delivery of our corporate strategy. It is recognised that the focus is not just about cost savings and financial improvement, but that VfM is integrated into the culture and operations of the organisation. Value is defined from the perspective of our customers and stakeholders in any service or process, where economy, efficiency and effectiveness are considered in everything that we do whilst having regard to quality of service.

Our approach to VfM is to ensure the combined efforts of the organisation and its resources are focused on what makes a difference for our customers and stakeholders. This is done through setting objectives, measuring and assessing our efforts against targets so the impact of our work is understood, and that learnings can be taken and used to shape future plans with an aim to be constantly improving and evolving. The Finance & Performance Committee oversee the delivery of VfM through review and challenge, which includes the review of business cases, contracts registers and performance indicators.

Key performance indicators for the year showed the following outcomes against target:

- The number of home acceptances issued was 967 (target 950).
- The average home purchase price was £167,180 (target £163,000).
- The average customer starter share was 60% (target 59%).
- The number of customers who bought out was 770 (target 575).
- The average time taken to provide an initial approval to applicants was 2 days (target 5 days).
- The average time taken to issue an acceptance was 11 days (target 19 days).
- The net promoter score for customers who would recommend Co-Ownership was 95% (target 75%).

The Board consider that Co-Ownership provided good value for money to both its customers and its stakeholders during the last year, particularly given the challenges facing the housing market in Northern Ireland.

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report (continued)

3. Environmental and Social

The Group recognises that as a charity with a vision to lead the way on affordable home ownership, it has an important role to play in the journey to Northern Ireland delivering Net Zero. Co-Ownership has developed a strategic response to climate change with aims to be a voice for the owner occupier sector, to encourage customers to improve energy and carbon efficiency in their homes, and to lead by example by reducing the carbon footprint of our operational environment.

Some of the actions taken during the year by the Group are:

- Offering energy efficiency grants and providing 'Energy Performance Certificates' (EPC) to customers.
- Assessing outcomes of pathfinder grant initiatives for home energy improvements and making refinements.
- Monitoring the energy efficiency at a portfolio level of the homes the Group has interests.
- Educating staff on how to save energy in homes, with the assistance of National Energy Action.
- Running an energy savings week for customers, providing tips and ideas on how to conserve energy.

Energy and carbon reporting

In line with the 'Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018' and related accompanying government guidance 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting requirements: March 2019', the Group presents details of its carbon and energy as:

UK Greenhouse gas emissions and energy use data	25/26	24/25
Energy consumption used to calculate emissions (kWh)	95,835	98,191
Scope 2 emissions in metric tonnes CO ₂ e		
Purchased electricity	25	34
Total gross emissions in metric tonnes CO ₂ e	25	34
Intensity ratio tonnes CO ₂ e / £m revenue	0.35	0.64

The organisation utilises a "Green Tariff" which provides 100% renewable energy, although the above information applies the energy supplier's average across all fuels. Energy consumption is similar to last year.

The Group's only reportable energy was purchased electricity. To determine emissions for the year ended 31 March 2026, the Group used a methodology compliant with the Greenhouse Gas ('GHG') Protocol. Electricity consumption was based on actual data, obtained from supplier invoices, meter readings and online supplier portal data. The collected consumption data is then converted into greenhouse gas emissions associated with each activity using annually updated emission factors from our supplier.

Social

As an organisation with a strong social purpose that recognises its responsibility to carry out its operations whilst minimising the impact on the environment, it has a Corporate Social Responsibility Strategy in place.

The social impact of Co-Ownership is evidenced by what customers have told us as being the impact of buying a home through Co-Ownership has had on their lives. A customer survey of Co-Owners in 2024/25 showed:

- 87% agreed or strongly agreed they felt part of the community where they lived.
- 85% agreed or strongly agreed they felt their health and wellbeing had improved.
- 80% agreed or strongly agreed they could live near family and friends.
- 94% agreed or strongly agreed they felt more independent.
- 79% agreed or strongly agreed they felt financially secure.

The Community Fund, the Staff Charity Fund and fundraising initiatives resulted in Co-Ownership supporting a number of different charity groups across Northern Ireland with charitable donations of £128,476 (2025: £26,250) being made during the year. No donations for political purposes were made during the year (2025: £Nil).

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report (continued)

4. Governance

Co-Ownership is governed by the Board, which is made up of non-executive directors elected by the shareholders. The Board complies with a code of governance based on the National Housing Federation model code of governance.

The Board of Management have complied with the duty to have regard to the guidance issued by the Charity Commission for Northern Ireland under section 4 of the Charities Act (Northern Ireland) 2008.

The Board and executive directors

The Board and executive directors of Co-Ownership are listed on page 1. The Board is a voluntary committee who have responsibility for the strategic direction, general policy and management of the organisation. The day-to-day management of operations is delegated to the Chief Executive and the Senior Leadership Team.

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

The work of the Board is supported by two committees which operate under clearly defined terms of reference. The committees are the Audit, Risk & Governance Committee and the Finance Performance & People Committee. The previous Human Resources Committee and Finance & Performance Committee were merged to become the enlarged Finance Performance & People Committee. Each committee generally meets four times during the year. The Senior Executive Officers attend meetings when required. The minutes of the committees and the Board are formally recorded.

Internal control

The Board is responsible for ensuring that the Group has established and maintains an effective system of internal control. The operation of internal control is delegated to the Senior Leadership Team on a day to day basis; however the Board reviews the operation of those controls in the following ways. Internal financial controls ensure the reliability of financial information, the maintenance of proper accounting records and the safeguarding of assets against unauthorised use or disposition.

The organisation has a clearly defined organisational structure based upon a system of delegation and authorisation, which includes the Board where appropriate. The levels of authority are set out in internal policies and similar documents which have been adopted by the Board 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.

The Board reviews the effectiveness of the system of internal control through participation in the Audit, Risk & Governance Committee. That Committee reviews reports from management, from the internal auditors (who are externally appointed) 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 Group. 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 internal auditors also attend meetings and they have unrestricted access to the Chair of the Committee. The Board receives the annual report of the internal auditors.

The Internal Audit Plan reflects the risk management policy and the risk register 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 Audit, Risk & Governance Committee regularly reviews the risk register.

The Board monitors its finance, performance and people matters through its Finance Performance & People Committee. This Committee develops and monitors progress against a 3-year strategy, which is reviewed by the Board. A detailed annual budget, operational plan and cash flow projections are prepared. The Finance Performance & People Committee reviews these documents in detail and receives regular performance reports from the Senior Executive Officers, including management accounts and performance indicators, which are 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.

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report (continued)

Internal control (continued)

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

The Finance Performance & People Committee supports the Board in matters relating to organisational structure and resourcing, staff employment terms and conditions, Board and staff learning and development, and grievance and disciplinary matters. It also ensures that the Board retains an appropriate structure, size and balance of skills to support the strategic objectives and values of Co-Ownership, and meets its responsibilities regarding Executive level recruitment, performance and remuneration. It liaises on various matters relating to the management and development of human resources strategy, policy and practices within the organisation, both statutory and in terms of good practice/public policy directives.

The Board 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. The system of control also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguard of Co-Ownership's assets and interests. The organisation is committed to the highest standards of quality, probity, openness and accountability and has in place a confidential reporting system.

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of changes in credit risk, price risk and interest rate risk. The programme of capital investment is financially dependent on the continued availability of government funding. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by regular review of activity levels against changing market conditions and adjustment to cashflow projections accordingly, with regular financial stress testing performed. The Group 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.

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.

Price risk

The Group is exposed to changes in the housing market. In order to ensure the Group is receiving value for money on the properties it purchases and sells, each property is valued by a professional external valuer prior to entering into a contract. The nature of operations undertaken by the Group exposes it to a number of inherent price risk factors. By rigidly adhering to its procurement policy, in line with public sector tendering requirements, the Group is customarily able to determine and agree favourable prices. Therefore, the risk management strategies and operational processes employed by the Group ensure that such exposure is controlled.

Interest rate risk

The Group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances which are held on deposit. Interest bearing liabilities consist of bank loans and new DfC loans that bear interest at normal commercial rates. In order to manage the impact of interest rate fluctuations the Group has implemented a hedging strategy. Cash deposits are spread across various banks to mitigate counterparty risk.

Non- financial risk management

The Group's operations are exposed to a variety of non-financial risks that include operational, market and environmental risks. The Group has in place a risk management system that seeks to identify, measure, mitigate and monitor these risks.

Operational risk

Good systems, processes and people reduce operational risks. Changes, including digital transformation and development of new products, are rigorously tested before launching. Information security protocols are followed and regularly audited. Conveyancing of properties is managed by legal professionals.

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report (continued)

Non- financial risk management (continued)

Market risk

Delivery of housing programmes is dependent upon the housing market, consumer demand, government support and mortgage lender appetite for Co-Ownership products. Stakeholder engagement and raising product awareness are key tools in managing market risk.

Environmental risk

Climate change presents an increasing risk to the Group. The Government has targets under the Climate Change Act 2008 to reach 'net zero' carbon emissions by 2050. Meeting this target will require a range of actions across sectors of the economy, including housing, that are responsible for emissions. The Group continues to develop plans in response to climate change.

Health and safety

The Group 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. As an organisation we have invested in providing information, training, instruction and supervision to all employees and will continue to invest resources in ensuring the office remains a safe work environment.

Human resources

The Group's most important resource is its people; their knowledge and experience are crucial to meeting customer requirements and organisational objectives. The team delivering these requirements and objectives at 31 March 2026 comprised 62 employees and the Board which comprised 10 members. Co-Ownership holds an Investor in People accreditation reflecting the good management of its people. Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures are in place to maintain standards of performance.

Regulation

Co-Ownership's principal regulator is the Department for Communities (DfC). The latest published regulatory judgement related to the year 2023/24 with the following ratings being received.

<i>Area of operations:</i>	<i>Rating:</i>
Financial Standard	Meets the requirements
Governance Standard	Meets the requirements
Overall	Meets the requirements

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) 1969 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 Co-Ownership'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 Co-Ownership 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 Co-Ownership 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 Group and to prevent and detect fraud and other irregularities.

Northern Ireland Co-Ownership Housing Association Limited

Report of the Board of Management and the Strategic Report (continued)

Statement of disclosure of information to auditors

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

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

Independent auditors

BDO were the auditors throughout the year. BDO have indicated their willingness to continue in office, and a resolution proposing their reappointment will be proposed at the Annual General Meeting.

By order of the Board

Derek Wilson
Chair of the Board of Management

24 September 2026

Northern Ireland Co-Ownership Housing Association Limited

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

Opinion on the financial statements

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the consolidated and Co-Ownership statements of comprehensive income, the consolidated and Co-Ownership statements of changes in reserves, the consolidated and Co-Ownership statements of financial position as at 31 March 2026 and the consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Northern Ireland Co-Ownership Housing Association Limited's group financial statements and the 'Co-Ownership's' financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the Co-Ownership's affairs as at 31 March 2026 and of the group's and Co-Ownership's surplus and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, The Charities Act (Northern Ireland) 2008, The Housing (Northern Ireland) Order 1992, The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 and The Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of management's 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's and the Co-Ownership'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.

Northern Ireland Co-Ownership Housing Association Limited

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

Other information

The Board of Management are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Board of management for the financial statements

As explained more fully in the Statement of the Board of Management's responsibilities, the Board of management is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Board of Management 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 Co-Ownership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of management either intends to liquidate the group or the Co-Ownership's or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Extent to which the audit was capable of detecting irregularities, including fraud.

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

We gained an understanding of the legal and the regulatory framework applicable to the group and the Co-Ownership and the industry in which it operates and considered the risk of acts by the group and the Co-Ownership which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, The Charities Act (Northern Ireland) 2008, the Housing (Northern Ireland) Order 1992, The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 and The Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993, FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Northern Ireland Co-Ownership Housing Association Limited

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

We focused on laws and regulations that could give rise to material misstatement in the financial statements. Our tests included but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation.
- enquiries of management; and
- considering the effectiveness of the control environment and monitoring compliance with laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits, we addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

Other required reporting

Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 exception reporting

Under the Co-operative and Community Benefit 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 Co-Ownership; or
- the Co-Ownership's financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 exception reporting

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

- sufficient accounting records have not been kept in respect of the Co-Ownership.
- the Co-Ownership's financial statements are not in agreement with the accounting records.
- we have not received all the information and explanations we require for our audit; or
- information contained in the financial statements is inconsistent in any material respect with the report of the Board of Management for the year ended 31 March 2026.

We have no exceptions to report arising from this responsibility.

Northern Ireland Co-Ownership Housing Association Limited

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

Use of this report

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

Nigel V W Harra, Senior Statutory Auditor
For and on behalf of BDO Northern Ireland
Metro Building, 1st Floor
6-9 Donegall Square South
Belfast
BT1 5JA

Date: 24 September 2026

Northern Ireland Co-Ownership Housing Association Limited

Consolidated statement of comprehensive income for the year ended 31 March 2026

	Note	2026 £	2025 £
Turnover	5	69,354,897	52,476,164
Cost of sales	5	(38,642,380)	(28,285,975)
Operating costs	5	(6,138,258)	(5,739,159)
Release of impairment of housing properties	13	1,000,000	1,100,000
Operating surplus	6	25,574,259	19,551,030
Gain/(Loss) on disposal of housing properties	9	638,490	326,028
Interest receivable and similar income	10	3,486,657	3,210,795
Interest payable and similar charges	11	(1,194,438)	(1,071,343)
Surplus before tax		28,504,968	22,016,510
Taxation	12	(6,848)	(15,810)
Surplus for the financial year		28,498,120	22,000,700
Actuarial movement recognised in pension scheme	25	(551,000)	(152,000)
Total comprehensive income for the financial year		27,947,120	21,848,700

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

Consolidated statement of changes in reserves for the year ended 31 March 2026

	Note	2026 £	2025 £
Surplus for the financial year		28,498,120	22,000,700
Actuarial movement recognised in pension scheme	25	(551,000)	(152,000)
Share capital cancelled		-	(1)
Net movement in capital and reserves		27,947,120	21,848,699
Opening total capital and reserves		181,452,041	159,603,342
Effect of adoption of FRS 102 amendments	34	-	-
Closing total capital and reserves		209,399,161	181,452,041

Northern Ireland Co-Ownership Housing Association Limited

Co-Ownership statement of comprehensive income for the year ended 31 March 2026 *(Association only)*

	Note	2026 £	2025 £
Turnover	5	68,684,325	50,353,871
Cost of sales	5	(38,128,483)	(26,520,746)
Operating costs	5	(6,077,938)	(5,675,758)
Donations received	33	225,000	475,000
Release of impairment of housing properties	13	1,000,000	1,100,000
Operating surplus	6	25,702,904	19,732,367
Gain/(Loss) on disposal of housing properties	9	638,490	326,028
Interest receivable and similar income	10	3,324,343	2,969,228
Interest payable and similar charges	11	(1,194,438)	(1,071,343)
Surplus for the financial year		28,471,299	21,956,280
Actuarial movement recognised in pension scheme	25	(551,000)	(152,000)
Total comprehensive income for the financial year		27,920,299	21,804,280

All amounts above relate to the continuing operations of Co-Ownership.

Co-Ownership statement of changes in reserves for the year ended 31 March 2026 *(Association only)*

	Note	2026 £	2025 £
Surplus for the financial year		28,471,299	21,956,280
Actuarial movement recognised in pension scheme	25	(551,000)	(152,000)
Share capital cancelled		-	(1)
Net movement in capital and reserves		27,920,299	21,804,279
Opening total capital and reserves		180,600,828	158,796,549
Effect of adoption of FRS 102 amendments	34	-	-
Closing total capital and reserves		208,521,127	180,600,828

Northern Ireland Co-Ownership Housing Association Limited

Consolidated statement of financial position as at 31 March 2026

	Note	2026 £	2025 £
Fixed assets			
Housing properties	13	566,648,671	544,026,359
Other tangible assets	15	513,634	293,232
Right-of-use assets	16	765,184	-
		567,927,489	544,319,591
Current assets			
Stock	18	5,226,585	2,995,870
Debtors	19	1,089,189	1,363,837
Investments	20	86,851,743	69,481,816
Cash at bank and in hand		7,062,166	7,778,477
		100,229,683	81,620,000
Creditors: amounts falling due within one year	22	(17,384,246)	(14,097,584)
Net current assets		82,845,437	67,522,416
Total assets less current liabilities		650,772,926	611,842,007
Creditors: amounts falling due after more than one year	23	(441,373,765)	(430,389,966)
Net assets excluding pension surplus		209,399,161	181,452,041
Pension surplus/(deficit)	25	-	-
Net assets including pension surplus		209,399,161	181,452,041
Capital and reserves			
Called up share capital	26	33	33
Revenue reserves	27	4,309,284	3,988,909
Designated reserves	28	205,089,844	177,463,099
Total capital and reserves		209,399,161	181,452,041

The financial statements on pages 13 to 44 were approved by the Board of Management on 24 September 2026 and were signed on its behalf by:

Derek Wilson – **Board Member**

Mark Graham – **Chief Executive**

Andrea McKellar – **Board Member**

Registered number: 2001P
Charity Registration Number: NIC101435

Northern Ireland Co-Ownership Housing Association Limited

Co-Ownership statement of financial position as at 31 March 2026 *(Association only)*

	Note	2026 £	2025 £
Fixed assets			
Housing properties	13	564,184,026	541,054,297
Other tangible assets	15	513,634	293,232
Right-of-use asset	16	765,184	-
Investments	17	300,001	300,001
		565,762,845	541,647,530
Current assets			
Stock	18	5,226,585	2,995,870
Debtors	19	1,065,241	1,332,342
Investments	20	84,832,957	63,481,816
Cash at bank and in hand		6,778,879	6,014,543
		97,903,662	73,824,571
Creditors: amounts falling due within one year	22	(17,271,615)	(13,981,307)
Net current assets		80,632,047	59,843,264
Total assets less current liabilities		646,394,892	601,490,794
Creditors: amounts falling due after more than one year	23	(437,873,765)	(420,889,966)
Net assets excluding pension surplus		208,521,127	180,600,828
Pension surplus/(deficit)	25	-	-
Net assets including pension surplus		208,521,127	180,600,828
Capital and reserves			
Called up share capital	26	33	33
Revenue reserves	27	3,431,250	3,137,696
Designated reserves	28	205,089,844	177,463,099
Total capital and reserves		208,521,127	180,600,828

The financial statements on pages 13 to 44 were approved by the Board of Management on 24 September 2026 and were signed on its behalf by:

Derek Wilson – **Board Member**

Mark Graham – **Chief Executive**

Andrea McKellar – **Board Member**

Registered number: 200IP
Charity Registration Number: NIC101435

Northern Ireland Co-Ownership Housing Association Limited

Consolidated statement of cash flows for the year ended 31 March 2026

	Notes	2026 £	2025 £
Net cash inflow from operating activities	30	11,793,407	11,080,912
Tax paid		(13,887)	(10,843)
		11,779,520	11,070,069
Investing activities			
Purchase of properties		(65,511,826)	(57,029,810)
Sale of properties		55,261,615	38,136,125
Housing Association Grant repaid on sale of properties		(11,273,584)	(9,072,397)
Purchase of other tangible fixed assets		(421,052)	(150,949)
Interest received		3,373,309	3,440,799
Net cash used in investing activities		(18,571,538)	(24,676,232)
Cash flows used in financing activities			
New term loans		38,250,000	22,000,000
Repayment of loans		(13,453,125)	(5,000,000)
Capital element of lease liabilities repaid		(258,513)	-
Interest paid		(1,092,728)	(1,065,569)
Net cash used in financing activities		23,445,634	15,934,431
Net increase in cash and cash equivalents		16,653,616	2,328,268
Cash and cash equivalents at the beginning of the year		77,260,293	74,932,025
Cash and cash equivalents at the end of the year	21	93,913,909	77,260,293

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026

1 General information

Co-Ownership's principal activity is the provision of affordable housing on a shared ownership basis. Co-Ownership is incorporated under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969. The subsidiary, Ownco Homes Limited, is registered under the Companies Act 2006. The Group is a public benefit entity in accordance with FRS 102. The address of the registered office is Moneda House, 25-27 Wellington Place, Belfast, BT1 6GD.

2 Statement of compliance

These financial statements of Northern Ireland Co-Ownership Association Limited have been prepared on the going concern basis in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), in accordance with applicable accounting standards in the United Kingdom and Statement of Recommended Practice for Accounting by Registered Social Landlords (updated 2026). The principal accounting policies, which have been applied consistently throughout the year, are set out below. The presentation of the financial statements complies with the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

The Group and Co-Ownership have early adopted the amendments to FRS 102 from the Periodic Review 2024 and Statement of Recommended Practice for Accounting by Registered Social Landlords (updated 2026) for the year ended 31 March 2026. Information on the effect of the adoption of these amendments is provided in note 34.

Disclosure exemptions

In preparing the separate financial statements of Co-Ownership, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement or net debt reconciliation has been presented for the Association.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Group has adopted FRS 102 in these financial statements.

The material accounting policies adopted by the Group are as follows:

Basis of preparation of financial statements

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

Basis of consolidation

The consolidated statement of comprehensive income and consolidated statement of financial position are made up to 31 March 2026. Intra group transactions, any unrealised profits/losses arising and intercompany balances are eliminated fully on consolidation.

Going concern

In assessing whether the going concern assumption is appropriate, the Board takes into account all available information about the future, which is at least, but is not limited to, 12 months from the date when the financial statements are authorised for issue. After making enquiries and reviewing the financial plan, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

3 Summary of significant accounting policies (continued)

Revenue recognition

i) Rental income

Rental income represents rent receivable from participants on the Group's ownership share of housing properties. Rental income is recognised from the point that the properties are formally let and on a straight-line basis over the rental term.

ii) First tranche equity sales

First tranche equity sales represent sales proceeds from the purchase by participants of the first tranche of the Group's ownership share of housing properties. Proceeds from the first tranche disposals are accounted for as revenue in the Statement of comprehensive income in the period in which the disposal occurs, which is the legal completion date.

First tranche disposals are fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Therefore, there is no judgement involved in allocating the contract price to the sole performance obligation of legal completion date.

The disposal of subsequent tranches is not recognised as revenue and cost of sales with the net gain or loss on disposal being recognised directly in the Statement of comprehensive income.

Donations received

Donations received are recognised in the Statement of comprehensive income when the donation is received.

Value added tax

The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs.

Current taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Employee benefits

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

i) Short term benefits

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

3 Summary of significant accounting policies (continued)

Employee benefits (continued)

ii) Pension funding

Retirement benefits to employees of Co-Ownership 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, Co-Ownership's staff constitutes only a small percentage of the overall membership. Co-Ownership has no influence over the level of contributions.

The assets of the NILGOSC scheme are held separately from those of Co-Ownership. Co-Ownership has adopted FRS 102 section 28 'Employee benefits' in these financial statements. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability. The movement in the present value of the liabilities of Co-Ownership's defined benefit pension scheme arising from employee service in the year is charged to the statement of comprehensive income. Under FRS 102, a net interest expense, based on the net defined benefit liability, is recognised in the statement of comprehensive income. A net defined benefit asset is only recognised to the extent that the surplus is able to be recovered either through reduced contributions in the future or through refunds from the scheme.

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

Tangible fixed assets

i) Housing properties

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

Housing properties are not depreciated as the Group estimates that the residual value is higher than the historical cost before charging any depreciation.

Any impairment in the value of the housing properties is charged to the statement of comprehensive income in the year in which it is first recognised. A reversal of impairment is recognised in the statement of comprehensive income.

ii) 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:

	%
Office equipment	25
Fixtures and fittings	10

iii) Derecognition

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

3 Summary of significant accounting policies (continued)

Leases as a lessee

The Group accounts for a contract, or a part of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the Group has elected to account for the entire contract as a lease. Therefore, the Group does not allocate any amount of the contractual payments to services provided by the supplier as part of the contract.

i) Lease measurement

All leases are accounted for by recognising a right-of-use asset and a lease liability, except for leases of low-value assets and leases with a duration of 12 months or less (short-term leases).

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease. Where that rate cannot be readily determined, which is typically the case, the Group has chosen to use the Group's obtainable borrowing rate.

The obtainable borrowing rate is the rate of interest the Group would have to pay to borrow, over a similar term, an amount similar to the total undiscounted value of lease payments to be included in the measurement of the lease liability.

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option if the group is reasonably certain to exercise that option; and any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of a termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

The Group remeasures the lease liability and makes an equivalent adjustment to the right-of-use asset in the following situations:

- When the Group revises its estimate of the term of any lease (because, for example, the Group reassesses the probability of a lessee extension or termination option being exercised) the carrying amount of the lease liability is adjusted to reflect the payments over the revised term, which are discounted using a revised discount rate.
- Where there is a change in the future lease payments resulting from a change in an index or a rate used to determine those payments the carrying amount of the lease liability is adjusted to reflect the revised payments. The discount rate remains unchanged unless the change in lease payments is due to a change in floating interest rates. Where this is the case, the Group uses a revised discount rate that reflects the changes in the interest rate.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

3 Summary of significant accounting policies (continued)

Leases as a lessee (continued)

- Subject to the exceptions noted below, where a lease contract is modified such that it doesn't decrease the scope of the lease, and the modification is not accounted for as a separate lease, the lease liability is remeasured using the revised lease payments over the lease term of the modified lease discounted using a revised discount rate.

Where there has been a modification to a lease, the Group applies the policy above except:

- If the modification results in a decrease in the scope of the lease, an equivalent adjustment to the right-of-use asset is not made. Instead, the Group recognises a proportionate reduction in the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease. The difference between the remeasured lease liability and the right-of-use asset is recognised as a modification gain or loss in profit or loss.
- The group uses an unchanged discount rate when either:
 - the additional consideration from the lease modification is insignificant to the total consideration of the original lease;
 - the consideration for the lease decreases by an amount commensurate with the stand-alone price for the decrease in scope; or
 - the lease modification decreases the consideration payable for the remaining term of the lease but does not decrease the scope of the lease by removing the right to use one or more underlying assets.

i) Presentation of right-of-use assets and lease liabilities

The Group presents right-of-use assets which do not meet the definition of investment property separately from other assets in the Statement of financial position.

Lease liabilities are not presented separately in the Statement of financial position. They are presented within creditors: amounts falling due within one year and creditors: amounts falling due after one year.

Housing Association Grant and other grants

Housing Association Grant and other grants received are included within 'Creditors: amounts falling due after more than one year' and 'Creditors: amounts falling due within one year'. Housing Association Grant received against revenue expenditure is credited to revenue in the period in which the related expenditure is charged.

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

Housing Association Grants received are capital grants and as they relate to house purchases are not recognised in the statement of comprehensive income, rather they are held as a liability on the balance sheet until the housing investment is sold at which point the grant is repaid.

Other grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met.

Stock

The costs relating to expected future property sales are transferred from housing properties in fixed assets to inventories for sales occurring one month following the year end.

Current asset investments

Current asset investments are short-term, liquid deposits with an original maturity between one and twelve months. All current asset investments are classified as cash equivalents within the financial statements.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

3 Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash consists of cash at bank and in hand. Cash equivalents consist of short-term, highly liquid deposits held at call or at notice with banks with original maturities of twelve months or less and UK government issued Treasury bills with maturity between one and six months

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.

Impairment of non-financial assets

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

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

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of income and retained earnings, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of income and retained earnings.

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

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligations can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

3 Summary of significant accounting policies (continued)

Contingencies

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

Financial instruments

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

i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the expected realisable value of the asset. The impairment loss is recognised in Statement of income and retained earnings.

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

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

ii) Financial liabilities

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

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

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

Revenue reserves

Co-Ownership'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.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

3 Summary of significant accounting policies (continued)

Designated reserve - property purchase

All other reserves are treated as designated reserves as they are used to fund Co-Ownership's investment in housing properties and thus are not available for future general use. Transfers between reserves are made to retain committed running costs for a period equivalent to six months of budgeted future expenditure within the Revenue reserve.

4 Critical accounting judgements and estimation uncertainty

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

Critical judgement in applying the entity's accounting policies

The following judgement, apart from those involving estimates, made by the directors has had significant effect on the amounts recognised in the financial statements:

Co-Ownership provides housing on a shared ownership basis. Under the arrangement Co-Ownership has with a lender on an individual property, the lender ranks in priority to Co-Ownership and therefore if the borrower fails to pay the lender, the property could be repossessed by that lender. Co-Ownership has incurred losses on repossessed properties over recent years. As a result, it is necessary to recognise an impairment provision for future losses expected on the repossession of such properties. When calculating the provision management consider the historical losses incurred, and current property values based on recent transactions and apply an expected loss ratio to the book value of properties.

Estimation uncertainty in applying the entity's accounting policies

In preparing the financial statements the recoverability of debtors and the level of impairment on housing properties has been considered.

A provision for bad debts has been made for the estimated amount of debtors that are considered to be unrecoverable. The level of provision held at the year end is set out in note 19.

A provision for the impairment on housing assets has been made for the estimated amount of investment that is considered to be unrealisable. Management take into account factors including the broader Northern Ireland property market, the yield level of the properties and other known factors as part of this consideration. There has been a release of £1.0m this year due to the improvement in the housing market since the prior year end. The level of impairment provision at the year end is set out in note 13.

The underlying assumptions relating to the valuation of the Group's defined benefit pension scheme position include estimates of inflation, mortality, discount rate and anticipated salary increases. The Group uses the Group's actuaries to value the scheme's assets and liabilities. The assumptions used are also provided by the Group's actuaries and have not been adjusted. Variations in these assumptions, along with movements in asset valuations, can be expected to significantly alter the net pension position from year to year. The directors have adopted a policy of not recognising a net pension scheme asset as they do not believe it to be recoverable.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

5 Lettings and other related information

	Group		Co-Ownership	
	2026	2025	2026	2025
Turnover	£	£	£	£
Rents (see below)	17,725,171	16,812,001	17,615,049	16,657,203
First Tranche Sales (note 9)	51,629,726	35,664,163	51,069,276	33,696,668
	69,354,897	52,476,164	68,684,325	50,353,871
Cost of sales				
Rents	(8,992)	(104,452)	(8,992)	(104,452)
First Tranche Sales (note 9)	(38,633,388)	(28,181,523)	(38,119,491)	(26,416,294)
	(38,642,380)	(28,285,975)	(38,128,483)	(26,520,746)
Operating costs				
Management expenses (exc. Non cash pension)	(6,034,425)	(5,477,848)	(5,974,105)	(5,414,849)
Non cash pension movement	193,000	32,000	193,000	32,000
Valuation fees	(363,179)	(318,593)	(363,179)	(318,191)
Bad debt released	66,346	25,282	66,346	25,282
	(6,138,258)	(5,739,159)	(6,077,938)	(5,675,758)
Donations received (note 33)	-	-	225,000	475,000
Release of impairment of housing properties (note 13)	1,000,000	1,100,000	1,000,000	1,100,000
Operating surplus	25,574,259	19,551,030	25,702,904	19,732,367
Gain/(Loss) on disposal of housing properties (note 9)	638,490	326,028	638,490	326,028
Interest receivable and similar income (note 10)	3,486,657	3,210,795	3,324,343	2,969,228
Interest payable and similar charges (note 11)	(1,194,438)	(1,071,343)	(1,194,438)	(1,071,343)
Surplus before taxation for the year	28,504,968	22,016,510	28,471,299	21,956,280

Turnover from lettings	Group		Co-Ownership	
	2026	2025	2025	2025
	£	£	£	£
Rents	17,551,504	16,648,084	17,441,382	16,493,286
Processing fees	173,667	163,917	173,667	163,917
	17,725,171	16,812,001	17,615,049	16,657,203

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

5 Lettings and other related information (continued)

Analysis of Operating costs	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Personnel				
Salaries (excluding pensions)	3,297,440	3,009,942	3,288,158	2,994,951
Pension contributions	552,437	499,239	552,437	499,239
Other staff costs	169,270	122,420	169,270	122,420
	4,019,147	3,631,601	4,009,865	3,616,610
Non cash pension movement	(193,000)	(32,000)	(193,000)	(32,000)
	3,826,147	3,599,601	3,816,865	3,584,610
Establishment				
Property costs	278,049	474,358	243,161	437,105
Telephone	21,422	15,657	21,422	15,657
Depreciation	371,908	122,018	371,908	122,018
	671,379	612,033	636,491	574,780
Administration				
Administration overheads	142,701	157,888	142,701	157,888
Computer costs	305,601	298,048	305,601	298,048
Professional fees	139,701	153,366	126,958	145,587
Project costs	67,081	66,134	67,081	66,134
General expenses	228,804	126,259	225,397	124,508
Repairs	1,563	41,733	1,563	41,733
Marketing	404,573	348,669	404,573	347,444
Credit Agency	53,875	42,117	53,875	42,117
	1,343,899	1,234,214	1,327,749	1,223,459
Total Management expenses	5,841,425	5,445,848	5,781,105	5,382,849
Valuation fees	363,179	318,593	363,179	318,191
Bad debt released	(66,346)	(25,282)	(66,346)	(25,282)
Total Operating costs	6,138,258	5,739,159	6,077,938	5,675,758

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

6 Operating surplus

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Operating surplus is stated after charging:				
Staff costs, excluding pension (note 7)	3,297,440	3,009,942	3,288,158	2,994,951
Pension (note 7) – contributions	552,437	499,239	552,437	499,239
– non cash pension movement	(193,000)	(32,000)	(193,000)	(32,000)
Depreciation of tangible fixed assets (note 15)	200,650	122,018	200,650	122,018
Depreciation of right-of-use assets (note 16)	171,258	-	171,258	-
Operating lease rentals	-	270,502	-	270,502
Low-value lease expense	4,207	-	4,207	-
Fees payable to the Group's auditor for the audit of the financial statements	40,500	37,250	36,000	34,000
Fees payable to the Group's auditor for non-audit services – tax compliance	3,250	2,950	-	-
Fees payable to the Group's auditor for non-audit services - other	4,050	3,250	2,500	2,150

7 Employee information

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Staff costs				
Wages and salaries	2,921,044	2,714,038	2,911,762	2,699,048
Social security costs	376,396	295,904	376,396	295,903
	3,297,440	3,009,942	3,288,158	2,994,951
Pension contributions	552,437	499,239	552,437	499,239
	3,849,877	3,509,181	3,840,595	3,494,190
Non cash pension movement	(193,000)	(32,000)	(193,000)	(32,000)
	3,656,877	3,477,181	3,647,595	3,462,190

	2026 Number	2025 Number
Average monthly number of persons employed by the Group and Co-Ownership (including the Chief Executive and excluding the board members) during the year by activity:		
- Permanent	60	59
- Temporary	1	1
Administration and finance	61	60

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

7 Employee information (continued)

During the period employee benefits (excluding pension contributions) outside of key management emoluments of more than £60,000 fell within the following band distributions:

	2026 Number	2025 Number
More than £60,000 but not more than £70,000	3	4
More than £70,000 but not more than £80,000	4	1

8 Key management emoluments

The remuneration of the key management (comprising the Chief Executive and senior personnel) of the Group and Co-Ownership during the year was:

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Aggregate emoluments	460,541	426,032	460,541	426,032
Pension contributions	81,763	75,376	81,763	75,376
	542,304	501,408	542,304	501,408

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

The emoluments to the highest paid key management included within the above table are as follows:

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Aggregate emoluments	143,334	135,100	143,334	135,100
Pension contributions	25,432	23,926	25,432	23,926
	168,766	159,026	168,766	159,026

During the period the key management emoluments (excluding pension contributions) fell within the following band distributions:

	2026 Number	2025 Number
More than £90,000 but not more than £95,000	-	1
More than £95,000 but not more than £100,000	1	-
More than £100,000 but not more than £105,000	-	2
More than £105,000 but not more than £110,000	2	-
More than £135,000 but not more than £140,000	-	1
More than £140,000 but not more than £145,000	1	-

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

9 Surplus on sale of housing properties

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Sales - first tranche sales	51,629,726	35,664,163	51,069,276	33,696,668
Cost of sales - first tranche sales	(38,633,388)	(28,181,523)	(38,119,491)	(26,416,294)
	12,996,338	7,482,640	12,949,785	7,280,374
Gain/(Loss) on disposal of housing properties – second tranche and after	638,490	326,028	638,490	326,028
Release of provision for impairment of housing properties (note 13)	1,000,000	1,100,000	1,000,000	1,100,000
	14,634,828	8,908,668	14,588,275	8,706,402

Comprising:

	£	£	£	£
Repossession of properties	(127,502)	(305,605)	(127,502)	(305,605)
Surplus on disposal	13,762,330	8,114,273	13,715,777	7,912,007
Release of impairment of housing properties	1,000,000	1,100,000	1,000,000	1,100,000
	14,634,828	8,908,668	14,588,275	8,706,402

As at 31 March 2026, there were 3 (2025: 6) properties remaining in repossession status.

10 Interest receivable and similar income

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Interest receivable	3,128,657	3,090,795	2,966,343	2,849,228
Interest on pension scheme	358,000	120,000	358,000	120,000
	3,486,657	3,210,795	3,324,343	2,969,228

11 Interest payable and similar charges

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Interest payable on loans	942,260	881,408	942,260	881,408
Interest expense on lease liabilities	59,997	-	59,997	-
Other finance costs and similar charges	192,181	189,935	192,181	189,935
	1,194,438	1,071,343	1,194,438	1,071,343

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

12 Taxation on profit on ordinary activities

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
UK corporation tax charge on profit for the year	8,086	14,229	-	-
Adjustments in respect of prior periods	(1,238)	1,581	-	-
Total current tax	6,848	15,810	-	-

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2025: lower than) the standard rate of corporation tax in the UK of 25% (2025: 25%).

	2026	2025
	£	£
Surplus on ordinary activities before taxation	28,504,968	22,016,510
Surplus on ordinary activities by rate of tax	7,126,242	5,504,128
Fixed asset differences	(11,638)	(55,054)
Expenses not deductible for tax purposes	688	4,487
Chargeable gains/(losses)	11,930	50,705
Marginal relief	(1,311)	(829)
Charitable income not chargeable to tax	(7,117,825)	(5,489,208)
Adjustment to tax in respect of previous periods	(1,238)	1,581
Tax on profit	6,848	15,810

As Co-Ownership is a charitable entity it does not pay corporation tax. The tax charge above relates to the subsidiary Ownco Homes Limited.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

13 Housing properties

Group	Cost £	Participants' Investment £	Group Housing Investment £
At 1 April 2025	1,288,750,253	742,526,667	546,223,586
Transfers of completed schemes and additions in the year	161,567,586	96,224,682	65,342,904
Disposals	(89,582,202)	(50,919,273)	(38,662,929)
Transferred to stock	(15,604,853)	(10,378,268)	(5,226,585)
At 31 March 2026	1,345,130,784	777,453,808	567,676,976
Impairment			
At 1 April 2025			(2,800,000)
Released in the year			1,000,000
At 31 March 2026			(1,800,000)
Uncompleted schemes and additions			
Balance at 1 April 2025			602,773
Additions			65,511,826
Transfers			(65,342,904)
At 31 March 2026			771,695
At 31 March 2026			566,648,671
At 31 March 2025			544,026,359
Co-Ownership			
	Cost £	Participants' Investment £	Co-Ownership Housing Investment £
At 1 April 2025	1,285,778,191	742,526,667	543,251,524
Transfers of completed schemes and additions in the year	161,567,586	96,224,682	65,342,904
Disposals	(89,074,785)	(50,919,273)	(38,155,512)
Transferred to stock	(15,604,853)	(10,378,268)	(5,226,585)
At 31 March 2026	1,342,666,139	777,453,808	565,212,331
Impairment			
At 1 April 2025			(2,800,000)
Released in the year			1,000,000
At 31 March 2026			(1,800,000)
Uncompleted schemes and additions			
Balance at 1 April 2025			602,773
Additions			65,511,826
Transfers			(65,342,904)
At 31 March 2026			771,695
At 31 March 2026			564,184,026
At 31 March 2025			541,054,297

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

13 Housing properties (continued)

The above properties are held subject to ninety-nine year leases to the occupiers. The leases give Co-Ownership 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, currently contributes a minimum of 50% of the funding of the property.

Capital commitments

The total cost to finalise uncompleted schemes and additions amounts to £15,800,498 (2025: £13,053,445), of which £6,187,622 (2025: £5,125,446) represents Co-Ownership's investment. In addition, negotiations are in progress for the purchase of existing property at a total cost of £28,763,949 (2025: £27,285,850), of which £11,234,697 (2025: £11,442,088) represents Co-Ownership's investment.

14 Housing Association Grant

	2026	2025
Group and Co-Ownership	£	£
At 1 April	159,843,091	170,215,949
Receivable in the year	-	-
Repayable - on disposal	(12,275,450)	(10,372,858)
At 31 March (note 23)	147,567,641	159,843,091

Housing Association Grant (HAG) repayable on disposal consists of amounts paid during the year of £6,049,363 (2025: £5,148,637) and amounts falling due within one year of £6,226,087 (2025: £5,224,221) (note 22).

15 Other tangible fixed assets

Group and Co-Ownership	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 April 2025	166,258	786,378	952,636
Additions	110,651	310,401	421,052
At 31 March 2026	276,909	1,096,779	1,373,688
Accumulated depreciation			
At 1 April 2025	80,402	579,002	659,404
Charge for the year	27,690	172,960	200,650
At 31 March 2026	108,092	751,962	860,054
Net book amount			
At 31 March 2026	168,817	344,817	513,634
At 31 March 2025	85,856	207,376	293,232

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

16 Leases as a lessee

The Group and Co-Ownership leases its office premises for which payments are fixed over the lease term.

The discount rate used in calculating the lease liability is the obtainable borrowing rate.

The carrying amount of the right-of-use asset is as follows:

	Buildings	Total
Group and Co-Ownership	£	£
Cost		
At 1 April 2025	-	-
Effect of adoption of FRS 102 amendments	784,992	784,992
Effect of modification to lease terms	151,450	151,450
At 31 March 2026	936,442	936,442
Accumulated depreciation		
At 1 April 2025	-	-
Charge for the year	171,258	171,258
At 31 March 2026	171,258	171,258
Net book amount		
At 31 March 2026	765,184	765,184
At 31 March 2025	-	-

The total cash outflow for leases during the year was £245,091.

The aggregate commitments for short-term leases and leases of low value assets are as follows:

	Short-term leases 2026	Low value leases 2026	Total 2026
	£	£	£
Within one year	-	4,207	4,207
Within two to five years	-	5,259	5,259
After five years	-	-	-
	-	9,466	9,466

17 Fixed asset investments

	2026 Subsidiary Undertaking £	2025 Subsidiary Undertaking £
Co-Ownership		
Cost	300,001	300,001

The investment represents Co-Ownership's holding in a wholly owned subsidiary company, Ownco Homes Limited.

The Group has no fixed asset investments.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

18 Stock

	2026	2025
Group and Co-Ownership	£	£
Stock	5,226,585	2,995,870

This value represents the cost of housing properties held for sale at the year end. Any property that will be staircased or sold within one month of the year end has that element of the property moved from housing property to stock.

Stock is held at the lower of cost and net realisable value.

19 Debtors

Amounts falling due within one year	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Rent debtors	293,465	337,742	283,316	323,167
Less: bad debts provision	(82,000)	(155,000)	(82,000)	(155,000)
	211,465	182,742	201,316	168,167
Prepayments and accrued income	877,724	1,181,095	863,925	1,164,175
	1,089,189	1,363,837	1,065,241	1,332,342

20 Current asset investments

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Short term deposits	66,765,341	69,481,816	64,746,555	63,481,816
UK Treasury bills	20,086,402	-	20,086,402	-
	86,851,743	69,481,816	84,832,957	63,481,816

Current asset investments comprise deposits with an original maturity between one and twelve months and UK government issued Treasury bills with maturity between one and six months. The Group manages risk by utilising a variety of institutions and accounts with the intention of holding these deposits to maturity to generate a return.

21 Cash and cash equivalents

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Cash at bank and in hand	7,062,166	7,778,477	6,778,879	6,014,543
Current asset investments (note 20)	86,851,743	69,481,816	84,832,957	63,481,816
	93,913,909	77,260,293	91,611,836	69,496,359

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

22 Creditors: amounts falling due within one year

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
HAG repayable - on disposal	6,226,087	5,224,221	6,226,087	5,224,221
Participants' deposits	264,099	241,610	169,674	147,469
Other creditors	467,210	519,671	467,210	519,672
Lease liabilities (note 16)	205,355	-	205,355	-
DfC Loans (note 24)	9,718,750	7,453,125	9,718,750	7,453,125
Corporation tax	7,047	14,086	-	-
Accruals and deferred income	495,698	644,871	484,539	636,820
	17,384,246	14,097,584	17,271,615	13,981,307

23 Creditors: amounts falling due after more than one year

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Bank loan (note 24)	30,000,000	30,000,000	30,000,000	30,000,000
DfC loans (note 24)	263,078,125	240,546,875	259,578,125	231,046,875
Housing Association Grant (note 14)	147,567,641	159,843,091	147,567,641	159,843,091
Lease liabilities (note 16)	727,999	-	727,999	-
	441,373,765	430,389,966	437,873,765	420,889,966

Security

The bank loan and DfC loan are secured by a floating charge over all the assets of Northern Ireland Co-Ownership Association Limited with the bank taking preference.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

24 Loans and other borrowings

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Bank loans and overdrafts	30,000,000	30,000,000	30,000,000	30,000,000
Maturity of financial liabilities:				
Greater than five years	30,000,000	30,000,000	30,000,000	30,000,000

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Department for Communities loans	272,796,875	248,000,000	269,296,875	238,500,000
Maturity of financial liabilities:				
Due within one year	9,718,750	7,453,125	9,718,750	7,453,125
In more than one year, but not more than five years	61,359,375	58,328,125	57,859,375	48,828,125
Greater than five years	201,718,750	182,218,750	201,718,750	182,218,750
	272,796,875	248,000,000	269,296,875	238,500,000

The above loans from DfC relate to Financial Transactions Capital ("FTC"). The DfC loans have historically been interest free but new funding beginning in April 2025 attracted interest at a rate of 0.25% per annum. The DfC loans are secured against the assets of the Group.

The Bank loan and unused facilities bear interest between 0.50% and 2.93% and are secured against the assets of the Group. At 31 March 2026 the Group had an undrawn revolving loan facility of £35m (2025: £35m).

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

25 Pension commitments

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

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

The below is in relation to employees and ex-employees who are members of the NILGOSC pension scheme. NILGOSC pension scheme is considered a related party of Co-Ownership. The most recent valuation was conducted as at 31 March 2025 by a qualified actuary for the purpose of the disclosures below.

The major assumptions used by the actuary were:

Group and Co-Ownership	2026	2025	2024
Rate of increase in salaries	4.30%	4.00%	4.10%
Rate of increase in pensions in payment	2.80%	2.50%	2.60%
Discount rate	6.20%	5.80%	4.80%
Inflation assumption	2.80%	2.50%	2.60%

The mortality assumptions used were as follows:

Group and Co-Ownership	2026 Years	2025 Years	2024 Years
Longevity at age 65 for current pensioners:			
- Men	22.0	21.6	21.7
- Women	25.3	24.5	24.6
Longevity at age 45 for future pensioners:			
- Men	22.3	22.2	22.7
- Women	25.6	25.2	25.6

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

25 Pension commitments (continued)

The assets and liabilities in the scheme and the reconciliation to the statement of financial position were:

Group and Co-Ownership	Value at 31 March 2026 £'000	Value at 31 March 2025 £'000
Equities	9,011	8,998
Property	2,028	2,070
Bonds	5,330	4,271
Asset Credit	2,759	2,833
Cash	564	2,331
Other	1,212	1,286
Total market value of assets	20,904	21,789
Present value of scheme liabilities	(15,082)	(15,887)
Net pension surplus	5,822	5,902
Unrecognised asset	(5,822)	(5,902)
Net pension deficit recognised in statement of financial position	-	-

Reconciliation of fair value of scheme assets

Group and Co-Ownership	2026 £'000	2025 £'000
At 1 April	21,789	20,927
Interest income on assets	1,271	1,007
Member contributions	199	182
Employer contributions	551	500
Actuarial gains/(losses)	(2,399)	(234)
Benefits paid	(507)	(593)
At 31 March	20,904	21,789

The actual return on assets was a loss of £1.1m (2025: gain of £0.8m).

Reconciliation of present value of scheme liabilities

Group and Co-Ownership	2026 £'000	2025 £'000
At 1 April	15,887	18,666
Current service cost	338	468
Interest cost	913	887
Member contributions	199	182
Actuarial (gains)/losses	(1,768)	(3,723)
Past service cost	20	-
Benefits paid	(507)	(593)
At 31 March	15,082	15,887

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

25 Pension commitments (continued)

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

	2026	2025
Group and Co-Ownership	£'000	£'000
Current service cost	338	468
Past service cost	20	-
Interest on net defined benefit scheme	(16)	(11)
Total cost	342	457

Amounts for current and previous four years:

	2026	2025	2024	2023	2022
Group and Co-Ownership	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets	20,904	21,789	20,927	18,851	21,793
Present value of defined benefit obligation	(15,082)	(15,887)	(18,666)	(18,501)	(27,705)
Surplus/(Deficit)	5,822	5,902	2,261	350	(5,912)

Total amount recognised in the statement of changes in reserves

	2026	2025	2024	2023	2022
Group and Co-Ownership	£'000	£'000	£'000	£'000	£'000
Actuarial (deficit)/surplus	(551)	(152)	(15)	6,716	3,353

26 Called up share capital

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

	2026	2025
Group and Co-Ownership	£	£
Allotted, issued and fully paid	33	33

27 Revenue reserves

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Opening reserves	3,988,909	3,740,293	3,137,696	2,933,500
Net transfer from designated reserves (note 28)	320,375	248,616	293,554	204,196
Closing reserves	4,309,284	3,988,909	3,431,250	3,137,696

The transfer from Designated reserves has been made on the basis that the closing Revenue reserves represent 6 months committed operating costs.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

28 Designated reserves

Property purchase reserve

	2026	2025
Group	£	£
At 1 April	177,463,099	155,863,015
Surplus for the year	27,947,120	21,848,700
Transfer to revenue reserve (note 27)	(320,375)	(248,616)
At 31 March	205,089,844	177,463,099

	2026	2025
Co-Ownership	£	£
At 1 April	177,463,099	155,863,015
Surplus for the year	27,920,299	21,804,280
Transfer to revenue reserve (note 27)	(293,554)	(204,196)
At 31 March	205,089,844	177,463,099

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

29 Financial instruments

	Group		Co-Ownership	
	2026	2025	2026	2025
	£	£	£	£
Financial assets that are debt instruments measured at amortised cost				
Rental debtor (note 19)	211,465	182,742	201,316	168,167
Short term deposits (note 20)	66,765,341	69,481,816	64,746,555	63,481,816
UK Treasury bills (note 20)	20,086,402	-	20,086,402	-
Cash at bank and in hand	7,062,166	7,778,477	6,778,879	6,014,543
	94,125,374	77,443,035	91,813,152	69,664,526
Financial liabilities measured at amortised cost				
DfC loans (note 24)	272,796,875	248,000,000	269,296,875	238,500,000
Bank loans (note 24)	30,000,000	30,000,000	30,000,000	30,000,000
Participants' deposits (note 22)	264,099	241,610	169,674	147,469
Accruals (note 22)	495,698	644,871	484,539	636,820
	303,556,672	278,886,481	299,951,088	269,284,289

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

30 Reconciliation of consolidated operating surplus to net cash inflow from operating activities

	2026 £	2025 £
Surplus in the financial year	28,498,120	22,000,700
Taxation	6,848	15,810
(Gain)/loss on disposal of housing properties – second tranche and after	(638,490)	(326,028)
Interest receivable and similar income	(3,486,657)	(3,210,795)
Interest payable and similar charges	1,194,438	1,071,343
Operating surplus	25,574,259	19,551,030
Surplus on sale of housing properties	(13,130,320)	(7,842,997)
Repossession of properties	165,994	412,897
Release of impairment of housing properties	(1,000,000)	(1,100,000)
Depreciation	371,908	122,018
Movement in debtors	23,948	3,387
Movement in creditors	(19,382)	(33,422)
Non cash pension movement	(193,000)	(32,000)
Share capital cancelled	-	(1)
Cash inflow from operating activities	11,793,407	11,080,912

31 Analysis of consolidated net debt

	1 April 2025 £	Cashflow £	Other non cash movements £	31 March 2026 £
Cash at bank and in hand	7,778,477	(716,311)	-	7,062,166
Short term deposits (note 20)	69,481,816	17,369,927	-	86,851,743
Debt due within one year (note 22)	(7,453,125)	7,634,012	(10,104,992)	(9,924,105)
Debt due after one year (note 23)	(270,546,875)	(32,250,000)	8,990,750	(293,806,125)
Net debt	(200,739,707)	(7,962,372)	(1,114,242)	(209,816,321)

Other non-cash movements includes £(962,792) relating to the effect of adoption of FRS 102 amendments and £(151,450) relating to the effect of modification to lease terms.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

32 Legislative provisions

Co-Ownership is incorporated under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969.

33 Related party disclosures

Ownco Homes Limited is regarded as a related party as defined by section 33 of FRS 102 as it is a wholly owned subsidiary of Northern Ireland Co-ownership Housing Association.

The transaction and balances due from/to this related party during the year were as follows:

	2026 £	2025 £
Amounts owed from related party at 1 April	-	-
Management and administration charge to Ownco Homes	9,282	14,990
Donations from Ownco Homes	225,000	475,000
Receipts from Ownco Homes	(234,282)	(489,990)
Amounts owed from related party at 31 March	-	-

34 Effect of adoption of FRS 102 amendments

The Group has chosen to early adopt the FRS 102 Periodic Review 2024 amendments and Statement of Recommended Practice for Accounting by Registered Social Landlords (updated 2026) ("FRS 102 amendments") during the year. The date of initial application is 1 April 2025. The application of the amendments has resulted in changes to accounting policies for leases as a lessee.

In accordance with the FRS 102 amendments, the Group must apply the modified retrospective approach to leases.

Under the modified retrospective approach, the Group has not restated comparatives on adoption of the FRS 102 amendments for revenue and leases and therefore the revised requirements are not reflected in the prior year financial statements. Rather, the adjustments arising from the FRS 102 amendments are recognised in the opening balances as at 1 April 2025. There was no cumulative effect on retained earnings for the group as at 1 April 2025 for the change in the leases policy.

i) Section 20 'Leases'

The revised FRS 102 section 20 'Leases' provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value.

On the date of initial application the Group recognised right-of-use assets and lease liabilities as follows:

Classification under the old section 20	Classification under the revised section 20	
	Right-of-use assets	Lease liabilities
Operating leases	Measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments which were recognised in the statement of financial position as at 31 March 2025.	Measured at the present value of the remaining lease payments, discounted using the Group's obtainable borrowing rate as at 1 April 2025.

The Group did not have any leases as a lessee classified as finance leases under the old section 20.

Northern Ireland Co-Ownership Housing Association Limited

Notes to the financial statements for the year ended 31 March 2026 (continued)

34 Effect of adoption of FRS 102 amendments (continued)

ii) Practical expedients used

The Group elected to apply the practical expedient to not reassess whether a contract is or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under the old section 20 were not reassessed. The definition of a lease under the revised section 20 has been applied only to contracts entered into or changed on or after 1 April 2025.

The revised standard provides for certain optional practical expedients on lease-by-lease basis, including those related to the initial adoption of the FRS 102 amendments. The Group applied the following practical expedients when applying the FRS 102 amendments to leases previously classified as operating leases under the old section 20:

- relied on previous assessments on whether leases were onerous under section 21 'Provisions and Contingencies' as opposed to preparing an impairment review under section 27 'Impairment of Assets' as at the date of initial application; and
- used hindsight in assessing whether an extension or termination option is likely to be exercised when determining the lease term.

iii) Impact on current year profit or loss

The impact in the current year for the effect of applying the revised section 20 is an increase in profit for the year of £6,773. This comprises of:

- an additional interest charge on leases liabilities of £59,997 and an additional depreciation charge on the right-of-use asset of £171,258 as a result of accounting for leases under the new model; versus
- an operating lease expense of £238,028 if the leases were accounted for under the old model as operating leases.



“Great experience from start to finish!

Any enquiries were replied to in a timely manner and any staff I spoke to were lovely and friendly making the whole process that much more relaxed.

Thanks to Co-Ownership we have been able to leave renting behind and become homeowners!

Me and my husband would not hesitate to recommend Co-Ownership to anyone who needs help to get on the property ladder.”

Kirsty and Robert

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