

Radius Housing Association Limited
Annual Statement of Accounts
for the year ended 31 March 2020

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Board of Management and advisers

Board of Management

Mrs D Fitzsimons MA Econ, MSc, FRICS, FRTPI, FIoD [Chair]

Mrs M English LLB, CPLS [Vice Chair]

Mr Martin Pitt [Treasurer] FCA, MAcc, BSc Hons (appointed 26 September 2019)

Mrs L Campbell BA (Hons), DIPL, PGIDg

Mr P Gibson BSSc (Hons), CQSW, MBA

*Mr D Neill MRICS, DIPL PM (RCIS) rtd

Ms M Smith [Tenant Board Representative]

Mr K Gilmurray MBA, MSc, PG DIP, BSc Hons

Mr J Leckey LL.M, LL.D

Mr C Diamond BSc (Hons)

Mr C Doherty BSc (Hons), MSc, MRICS

Dr S Harper MB, BCh, BAO, DRCOG, DCH, MRCGP, MPA

Mrs H Walker BSc, DIPL, MSc, PGDIP (appointed 11 December 2019)

Mr P McGuinness FCCA, CTA (appointed 26 September 2019)

Mr G Hughes (appointed 11 December 2019 and deceased 29 December 2019)

Ms H Kinney BA (Hons), MA [former Vice Chair] (resigned 11 December 2019)

Mr P Ewing BSc (Hons) FCA [former Treasurer] (resigned 27 November 2019)

*Mr D. Neill kindly agreed to extend his time on the Board while a replacement board member was being recruited.

Independent Member of Radius Homes Limited

Mr I Lees FCA

Independent Member of Tealstone Developments Limited

Mr I Lees FCA

Chief Executive and Company Secretary

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

Registered office

38-52 Lisburn Road

Belfast

BT9 6AA

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 - No IP169

Registered under the Housing (NI) Order 1992 - No R1

Registered under the Charities Act (NI) 2008 – No NIC102575

Registered with the Fair Employment Commission No 499

Bankers

Danske Bank Limited

Donegall Square West

Belfast

BT1 6JS

Bank of Ireland

82a Main Street

Bangor

BT20 4AE

Ulster Bank Ltd

11 – 16 Donegall Square East

Belfast

BT1 5UD

Solicitors

Wilson Nesbitt

33 Hamilton Road

Bangor

BT20 4LF

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Waterfront Plaza

8 Laganbank Road

Belfast

BT1 3LR

Strategic report of the Board of Management for the year ended 31 March 2020

Governance

The Board of Management present their strategic report and the audited financial statements for the year ended 31 March 2020 of Radius Housing Association Limited (the “Association”) and its subsidiaries Radius Homes Limited and Tealstone Developments Limited (the “Group”).

Principal Activities

Purpose: Radius’s purpose is to make a positive difference by providing housing, care and support, tackling homelessness and building neighbourhoods, while empowering and enabling communities.

Vision: Our vision is to become the most effective and efficient provider of housing, care and support, delivering high-quality services beyond the expectations of all our customers, through engaged and empowered staff.

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

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

Enablers: We meet our objects by:

- Developing new social housing in response to housing need as defined by the NI Housing Executive.
- Managing social housing stock throughout Northern Ireland.
- Providing care and housing support for vulnerable people across a wide range of complex needs.
- Partnering statutory, voluntary and community organisations to sustain tenancies in the face of rising incidents of dementia, learning disabilities, homelessness, alcohol and substance abuse and other complex needs.
- Consulting with and promote the involvement of our tenants, residents and customers in the provision of our services.
- Providing security and support to people in their homes through assistive technology under our Telecare/Telehealth services, floating support, our home adaptations (Staying Put) and Daycare Services.

Radius Board of Management:

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

Group Structure:

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

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

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

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

Status:

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

Strategic report of the Board of Management for the year ended 31 March 2020

Business Planning

Corporate Plan 2018/19 – 2022/23

Radius Housing was formed in 2017 following the merger of Fold and Helm Housing Associations. Our latest Corporate Plan was launched in 2018/19 following extensive consultation with tenants, residents, key business partners and staff. Our primary focus in the early years was on integrating staff, adopting consistent working practices and processes, and on aligning systems, technologies, terms and conditions. We wanted our customers, suppliers and key business partners to experience as seamless a change in service as was possible. Four strategic priorities were identified following widespread consultation:

Radius Strategic Objectives	
1. To positively impact on our customers lives by delivering high quality standards.	2. Harmonise our culture and empower our people.
3. To build more new homes and support our communities.	4. Be financially resilient and carefully manage our risks.

The coronavirus pandemic, presented in Northern Ireland and the UK in the closing weeks of the 2019/20 business year, within a short space of time impacted on the lives of all our customers. Tragically, some died from the virus. Our thoughts are with their families and friends. The virus also affected service delivery and performance levels. In some cases, e.g. development new-starts, the impact has been immediate. In other areas the impact is expected to be more gradual e.g. in voids and arrears. It remains to be seen whether and to what extent the coronavirus will moderate or delay the goals and objectives of our 5 year corporate plan. In some cases it has accelerated business improvement initiatives planned for later in the year, e.g. SMARTER and more mobile working practices. We will revisit the 5 year plan in 2020/21, having stress-tested the business model to see whether changes are necessary. However based on the professionalism, dedication and flexibility of our workforce and the resilience of our processes and ICT we have every confidence in our ability to deliver against our stated priorities. Some targets as in development may take up to two years longer than was originally forecast.

Radius's growth strategy will see its asset base increase to £1billion, its revenues to £115m and its operating surplus to £23m by 2024. We expect to have commenced 2,000 new homes on site by this time, representing a total investment of around £250m in much needed affordable homes, this as well as boosting the local construction industry in a time of uncertainty. We will also invest £100m over the period in our existing housing stock and increase social investment into local communities in the form of infrastructure, facilities and apprenticeships. New technologies will be employed to improve front line service delivery and to support our service users. Many tenants on full and partial benefits face the risk of increased financial hardship and potential homelessness in the face of welfare reforms. This risk is exacerbated by the effects of coronavirus on the local economy. We will continue with all our efforts to educate decision makers and politicians on ways of easing hardship and supporting tenants through improved wellbeing, a return to education and accessing employment opportunities. We welcome the extension of mitigation payments to cover so-called Bedroom Tax as well as progress in the reclassification of NI Housing Associations. Together these will help our tenants, protect our business and enable us to grow and expand our offering amid these times of increasing demand for our services.

2019/20 Business Context

Radius's third year of operation since merger saw core operations settle and embed further as evidenced by improved performance across many aspects of our business. The firm foundations laid in the first two years had enabled us to introduce new services while changing some of our traditional business practices. We also welcomed back our local NI Assembly at Stormont. While the absence of a local assembly had not specifically eroded our ability to serve and support customers, progress on key enabling policies in areas such as welfare reform, allocations and re-classification had regrettably ground to a halt. The UK government has reflected on the impact of transitioning onto Universal Credit and taken steps to support tenants. We continue to raise awareness with local politicians and key decision makers on the impact of welfare reforms directly and through the Cliff Edge Coalition NI. This is a group of over 70 local organisations, facilitated by the NI Law Society, who came together in 2019 to raise concerns on welfare reforms. We continue to manage and plan for the out-workings of the UK/EU Brexit negotiations. We expect minimal direct major impact on our business. However, we do have concerns for our tenants and business partners and for potential consequences which may arise out of a No-deal Brexit. Radius's community investment team have continued to focus on educational, employment and wellbeing activities, building resilience across our communities and neighbourhoods. Their innovative and inclusive approach is helping to sustain tenancies and to give tenants a greater say in how we deliver services. Together with a proactive and supportive approach to housing management we are better placed to face the challenges which lie ahead.

Strategic report of the Board of Management for the year ended 31 March 2020

Business Planning

2019/20 Business Context (Continued)

Radius has an ambitious development programme in the years ahead. The challenges of obtaining suitable and viable sites in areas of high demand is as challenging in NI as other parts of the UK. In recent years the NI Water Service has highlighted cases of infrastructure limitations in many areas of high housing demand. As a statutory consultee in the planning process they have the ability to influence and delay new housing development. The return of the NI Assembly and a new Infrastructure Minister has helped to progress discussions on key strategic Radius sites as well as long term funding by the NI Executive on water infrastructure.

The coronavirus pandemic is expected to have a lasting impact on society and businesses for many years to come. Indeed it may shape how we deliver many aspects of our services. As with many registered providers, we have very regrettably experienced the loss of tenants, residents and service users to the virus. This despite the extraordinary efforts of staff. Most of our customers, staff and partners have experienced anxiety, distress and not to mention considerable inconvenience and disruption in their lives. This has necessitated a move into non-traditional aspects of support. It remains to be seen how future government fiscal policies will evolve as we emerge from coronavirus. However in some respects the event of the pandemic has accelerated change, flexibility and increased connectivity across our business. Collaboration with communities and supportive groups has flourished during this period which bodes well for future partnerships that can benefit all our customers.

Radius Business Operations

Development & Property Services

During the year we commenced 157 new properties across six schemes. This was significantly reduced for two reasons. We decided to defer the start of four new projects due to the sudden emergence of coronavirus and the fact they would have immediately incurred delay costs due to the government imposed lock-down. Our plans were further affected by the failure of the NI Water Service to confirm sufficient infrastructure capacity on several projects. At the same time we completed 81 new homes for handover across seven sites. These numbers were affected through delays due to the same lock-down. £13m of Housing Association Grant out of a projected £38m was drawn down in the process. Two new projects in the North West were designated as Shared Future under the government's Together Building United Communities (TBUC) scheme. Our formerly named Visteon project continued to make progress on site in West Belfast and was officially renamed 'Blacks Gate'. The project will provide 244 social and affordable homes, a community centre, leisure space and facilities and a serviced site for up to 60,000sqft of employment space. In 2020/21 we have plans to commence 417 new social rented and 48 private / affordable new homes. This is based on work restarting in early summer and key decisions being taken efficiently on valuations, safe-distancing, planning and water service infrastructure.

We invested close to £23m in our existing housing stock. This included £4m of capitalised major repairs. Tenant safety remains a priority. We have seen repair costs rise to £11m and compliance / servicing rise to £3m in the same period. We completed all fire risk assessments and the resultant prioritised works. We also completed 22 new service and works procurement exercises, moving most supply arrangements to framework contracts. Our Assets team have worked diligently throughout the year to maintain the highest possible compliance performance. Servicing and inspection has however been hampered during the pandemic as some tenants refused access for safety reasons. As a consequence compliance had reduced to 99.96%. In accordance with regulatory guidelines this is recorded on our Risk Register. We will endeavor to return certification levels to 100% as soon as possible.

During the year we carried out a feasibility study on Radius's Russell Court Block B. The housing block had been vacated in the previous year due to fire safety concerns. An impairment was taken in 2018/19 on future rental income for the apartments. The potential redevelopment of the total site emerged as the preferred option. However this is subject to negotiations with a number of third parties and consultation with stakeholders. We expect to make a decision on the future of the whole scheme by the middle of 2020/21.

Housing and Community Investment

Radius's Communities team continues to focus on achieving high levels of performance in housing management. They seek to maximise rental income and occupancy levels across 11,814 houses and apartments whilst efficiently managing lettings and information requests. The arrears and voids performance outturn for general needs and sheltered housing were 8.4% and 2.6% respectively and for supported housing, 2.8% and 2.5%. Radius's housing management KPI's continue to improve year-on-year and to rank highly in the sector. We continued to monitor and check for tenant fraud in 2019/20 in accordance with our tenancy fraud policy completing over 10% tenancy fraud visits. Meanwhile Radius's Floating Support Service continues to support 600 vulnerable people in the local community.

Strategic report of the Board of Management for the year ended 31 March 2020

Radius Business Operations

Housing and Community Investment (Continued)

At the commencement of the coronavirus lock-down we moved our housing and estates management to an essential-service footing, thereby minimising the spread of infection. Throughout March we monitored public health and government guidelines while tailoring our services and advice for tenants. We are extremely grateful for their co-operation and understanding at this time.

Community investment highlights during 2019/20 included:

- Working with 130 partner and community based organisations on 185 events to support tenants
- Assisting tenants to claim an additional £2m in their benefit entitlements
- Providing welfare and benefit advice to over 600 service users
- Enabling 40 tenants to access training and employment opportunities through our partnership with the South Western Regional College
- Awarding £13k of Radius's Community Chest grants on 15 local neighbourhood projects
- A full programme of initiatives and events raising awareness around diversity and culture and promoting enhanced cohesion within Radius's five shared future projects. We were delighted to receive very positive feedback from people living in the specially designated TBUC schemes:
 - 87% felt they had more positive relations with their neighbours
 - 70% felt more favourable towards those from a different background
 - 70% felt having a multicultural community benefits society.

In August 2019 Radius held its first ever Cultural Festival in the Ormeau Park, Belfast. This was preceded by a Cultural Parade boasting a rich and diverse blend of national costumes, colour, dancing and music. The festival attended by hundreds of people included a feast of international culinary delights, face painting, bouncy castles, a petting Zoo, stalls and entertainers.

Radius is one of four Associations taking part in the Housing Association Integration Project (HAIP). Ten Radius communities have benefitted from this EU funded Peace IV initiative. We continue to see other examples of positive tenant engagement across four area panels informing customer service and contractor standards. Radius's Tenant Executive Committee supported our Tenant Engagement Conference. Radius unfortunately had to defer its annual round of sheltered scheme forums to 2020/21 due to the coronavirus. Not to be deterred by the pandemic, the team have moved to virtual executive panel and coffee-pot style meetings on zoom. On a positive note we are engaging with some new cohorts of tenants for whom the more normal face to face meetings were unsuitable. We can foresee running future engagement events with both physical and virtual attendees.

Care and Support

Radius's housing with care schemes continued to receive very positive inspection reports from the regulator RQIA throughout 2019/20. Staff within our directly managed schemes provided the best possible care, support and reassurance to our residents during the pandemic. This despite many colleagues having to self-isolate. Early on we closed our schemes to visitors to limit the spread of infection. This continued into 2020/21. Meanwhile staff used i-pads and smart phones to ensure residents and their families keep in contact.

Radius works with an extensive list of partners including: the Salvation Army; De Paul; the Simon Community; Extern; MACS; Praxis; First Housing Aid and Support Services; WHSCT and BHSCT. Client groups include the homeless, young and older people with learning disabilities, people with dementia and those dealing with alcohol and substance abuse, representing the most vulnerable and marginalised in society. Radius manages a total of 1,199 supported housing units.

Within our housing with care schemes we seek to maximise independence and to ensure residents participate as much as possible in local community activities. We are grateful for the help of businesses and volunteers who either directly or through funding support a range of stimulation and entertainment activities for our residents. These include: memory cafes; chair aerobics; intergenerational events; shopping, theatre and concert outings; flower arranging; crafts and artwork; poetry and history events; and tea dances.

The Staying Put service continued to perform well against targets set by the NIHE, assisting over 300 families to complete much needed adaptations during the year, up 34% from 2018/19. At the same time we received 470 referrals, up 19% on the previous year. We managed to achieve first time customer visits in 82% of cases. Interactions with clients were unfortunately suspended from March due to the high proportion of vulnerable and cocooning customers. The team have taken the time to focus on progressing the administrative aspects of cases where possible.

Strategic report of the Board of Management for the year ended 31 March 2020

Radius Business Operations

Care and Support (Continued)

An independent survey of housing with care and staying put customers was carried out by Spotcheck NI at the end of 2019/20 with very positive results emerging. The highlights included:

- 91% felt satisfied and very satisfied with the level of Radius's customer service
- 90% felt our staff were both helpful and courteous
- 93% felt our staff were always approachable
- 94% felt our staff always treated them with respect.

Radius Connect24

Radius's Connect24 business provides telecare and telehealth support services enabling many older and vulnerable people and those with chronic illnesses to maximise their independence. In recent years we have sought to reposition ourselves as a digital provider. Connect24's overall connections held at 20,930 at the year end. This includes 2,706 patients across the Health and Social Care Trusts on the Remote Telemonitoring Northern Ireland (RTNI) Service. The retendering of the RTNI contract is overdue and has been further delayed to 2020/21. During the year 96.2% of calls were responded to within 60 seconds. The team managed to renew their ISO27001 and ISO20000 quality standards as certified by Exova BM Trada. Radius Connect24 is monitored and annually assessed by the Telecare Service Users Association (TSA).

The Connect24 team aided by staff from other parts of the business extended their normal morning-call service to a wider vulnerable customer base from the commencement of the pandemic. These regular wellbeing calls sadly proved to be the only contact for some older people who were cocooning in their homes. The overall Connect24 service provided an invaluable peace of mind to many households across the island of Ireland in this uniquely challenging period.

Radius Staff

Our success and achievements are mainly down to the professionalism and dedication of our staff who have a high regard for customer service, comfort and safety. Throughout the last 12 months and in particular since the onset of the coronavirus, they have shown great flexibility, dedication and agility. Sickness and absence levels for the year reached 3.4%. Staff turnover dropped to 11.3% for the same period. Radius completed its review of all staff terms, conditions and remuneration post-merger thereby ensuring staff were being paid fairly and competitively versus the sector.

The Senior Management Team is comprised of two males and five females. The Group has approximately 900 employees of which 15% are male and 85% are female. The Association invests approximately £200k per annum in training and development. Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Association continues and the appropriate training is arranged. It is the policy of the Association that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. An Equality Commission FEC Return was presented during the year.

Corporate Services

In 2019/20 the Department for Communities published their regulatory judgement for Radius following the 2018/19 Regulatory Return. We are pleased to confirm that Radius was adjudged as continued to meet the regulatory standards for governance, finance and consumer. The Department also completed its annual inspection of a sample of Radius development projects and confirmed full compliance.

In 2019/20 Radius took the step of seeking a rating with the international rating agency Moody's. Following a detailed analysis of our business, our sector and the local regulatory environment we were awarded an A1-Stable Rating. This turns out to be among the highest rating Moody's has awarded within the UK for any Housing Association. Moody's highlighted Radius's clarity of vision, its governance and its track record in delivering against targets as key strengths. They also recognised the supportive regulatory environment and the strength of the local social housing sector. The Moody's rating together with the positive Departmental and RQIA regulatory findings gave considerable comfort to UK and US investors seeking to invest in our business by way of private placement in October 2019.

Strategic report of the Board of Management for the year ended 31 March 2020

Radius Business Operations

Corporate Services (Continued)

Radius is a member of the UK Housing Association benchmarking club, Housemark. This allows us to assess performance across a large number of comparators with like-sized organisations throughout the UK. The Customer Service Excellence quality mark was retained during the year while the Development, Assets, Staying Put and Corporate Services departments were reaccredited to ISO9001. IT services were also reaccredited to ISO20000 and ISO27001.

Radius received 216 complaints across its customer base of around 33,000 direct service users, down 4% on the previous year. Of these 61% were upheld and 88% were responded to within our targeted response time. We reflect on the learnings from complaints and these help improve our business by shaping our policies, procedures and staff training programmes.

Radius's Health, Safety, Risk and Insurance Group continue to closely monitor safety across the Association. This is backed up by mandatory health and safety courses, rolled out under Radius's Corporate Training Plan. In 2019/20 Radius recorded zero incidents under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013. The Assets team closely monitor areas of compliance including: gas system servicing and inspection; legionella inspections, asbestos management and fire risk assessments. While full compliance was interrupted in March at year-end due to the coronavirus, we expect a return to full compliance by July 2020.

We operate a robust GDPR monitoring and improvement function within our business. Over 900 staff have received mandatory training on GDPR. Radius recorded two minor GDPR breaches during 2019/20. These were appropriately reported to the Information Commissioner's Office who was satisfied with our actions and response. Further system security and penetration tests are carried out routinely during the course of the year with their findings being reported to the Board. In this way we ensure the integrity of our systems and processes. Security and controls continue to be upgraded in line with an ever changing fraud and cyber-crime environment.

Radius continued its commitment to developing staff, contributing to society and protection of the environment through its Business in the Community approved CSR Action Plan. In 2019 staff selected a new charity partner, Aware NI, for the two years 2019/20 to 2020/21. Aware NI supports local people with mental health issues. Fundraising for Aware NI has dramatically fallen away due to the impact of the coronavirus, this at a time of great demand for their mental wellbeing services. For this reason we have decided to donate £10,000 to the charity. Aware NI provided additional links from our website to their support resources.

Energy Savings and Sustainability

We seek to minimise our impact on the environment by developing modern and highly insulated new homes. We include sustainability criteria in our tenders. A sizeable proportion of our housing stock is fitted with solar panels. Solar panels have been installed on 85 sheltered and supported housing schemes and are achieving savings of around £120k per annum. These savings are passed directly to older tenants and help to reduce fuel poverty. Further PV panels have been installed on over 400 general needs homes. In 2020/21 we will engage with our tenants, staff and business partners in the development of a 5 year Radius Sustainability Strategy. We want to set challenging but achievable sustainability goals for the years ahead, such that we positively impact on climate change.

Radius Board

We were very sad with the passing of our friend and board member Gerry Hughes in December 2019. Des Neill with a similar skill set, agreed to remain on the board until a replacement could be recruited. Two board members, Hilary Kinney and Peter Ewing resigned in December 2019. Three new members, Martin Pitt, Helen Walker and Peter McGuinness had been appointed in September 2019. At year-end, there were 5 females and 9 males on the Radius Board of Management as well as an independent male member on each of the 2 subsidiary companies. We had commenced a new recruitment process in the final business quarter to fill two board vacancies. In light of coronavirus this process will be completed virtually.

In 2019/20 the Board benefitted from an extensive training and awareness programme covering core operations as well as new business ventures. There were workshops on: the development process; financing different housing tenure models; the Radius budget and financial reports; community investment activities; how rent and property points are calculated; development, legal and tax considerations relating to Radius subsidiaries and asset management responsibilities. Radius's Risk Strategy and Policy were fundamentally reviewed with the Board updating their views on risk tolerance and appetite.

Strategic report of the Board of Management for the year ended 31 March 2020

Radius Business Operations

Radius Board (Continued)

The annual strategy workshop was held in Coleraine. Over the two days the Board visited the site of Radius's latest mixed tenure development in Portstewart and met with the residents of Rathain and Tullaghmurphy Folds. Part of the agenda included the Annual Board Group Appraisal. The Board were delighted to have local MLA Mervyn Storey, together with other public representatives and business partners, attend the Partners Dinner.

Radius is very grateful for the dedication and direction afforded to the Association by its voluntary board members. Their expenses claimed during the year amounted to £3,558.

Finance and Business Performance

Performance for the year ended 31 March 2020

In its second year of operations Radius achieved an Operating Surplus of £18.5m versus £17.1m in 2018/19. Income stood at £87.9m down from £89.7m. This reduction was due to less private house sales in the year. The increase in surplus reflects a number of efficiencies in the year together with the phasing of cyclical maintenance spend. A net impairment of £11k was taken in the year in relation to Laurel Lodge in Lisburn. The value of Radius's total housing properties at cost rose to £1,039m from £1,018m. This movement was due to housing completions in the year less sales to tenants under the "right to buy" scheme.

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

We were delighted to confirm in October our £105m private placement with UK and US investors. This was the first private placement by a social enterprise on the island of Ireland. This additional private finance will help fund much needed social housing across Northern Ireland. The placement followed a roadshow of presentations in September by Radius to investors in London, New York, Boston, Philadelphia and Hartford. Earlier in July Radius had been graded A1 Stable by Moody's, the international ratings agency. This was among the highest rating given by Moody's for any Housing Association in the UK.

Key financial indicators are shown below:

- Net Surplus as % of Turnover – 13.5% (*before exceptional costs*)
- Operating Costs as % of Turnover – 78.6%
- Rent Losses as % of Rental income – 3.6%
- Interest Cover – 257% (*after adding back capitalised major repairs*)
- Liquidity Ratio – 73%
- Gearing Ratio – 22%

These results and the associated statistics show that Radius remains in a strong financial position and moves forward with confidence to meet the challenging environment ahead.

Value for Money

Achieving Value for Money (VFM) and continuous improvement remains a key business objective. We aim to utilise our assets and resources as much as possible to meet the needs of existing and future tenants and residents. We define VFM within Radius as:

- Efficiencies and innovation
- High performance through empowered staff
- Maximising our social value
- Positive customer engagement and high satisfaction levels
- Community safety and regulatory compliance.

Strategic report of the Board of Management for the year ended 31 March 2020

Finance & Business Performance

Value for Money (Continued)

Our aim is to work collaboratively across traditional business unit boundaries, harnessing the innovation and creativity of our people, our customers and our business partners to deliver improvements through efficiency, effectiveness and economy. Some of our VFM highlights for 2019/20 include:

(a) Efficiencies versus previous year's expenditure

Development

- | | |
|--|-------|
| • VAT recovery through Radius Homes | £150k |
| • Reduction in legal, consultancy and feasibility fees | £ 25k |

ICT Savings

- | | |
|--|-------|
| • Licencing, consolidation and Tel. line reduction | £103k |
|--|-------|

HR, Corp Service and Care

- | | |
|--|-------|
| • Outsourcing and improved procurement | £146k |
|--|-------|

Total Efficiencies	£424k
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- Understanding Radius costs better through benchmarking against other UK providers;
- Utilising government and EU funded programmes to deliver community investment services;
- Investing in integrating ICT systems and to further improve performance management, self-service and mobile working;
- Investing £22.8 million in existing housing assets;
- Investing £21 million in the development of new homes during the year which will provide a positive financial return and act to strengthen the financial position of the Group.

An increased programme of efficiencies has been identified for 2020/21 including energy and gas savings, the benefits of a lower cost of private finance and projected reductions in repairs. However it remains to be seen whether C-19 restrictions may curtail potential savings.

(b) Positive social impact

- 600 clients received welfare and benefit advice from our Welfare Advice Service
- We assisted clients to claim an additional £2million in their benefit entitlement.
- Through partnership working with SWC in Mid Ulster, 40 people living in our communities were assisted to access training or employment opportunities
- £13k was awarded in Community Chest Grants to 15 projects across the province.

Positive customer engagement as detailed in surveys of Care & Support and Community Investment (see above) is evidence of the value being delivered by our front-line teams. Radius is achieving a growing Return on Social Investment (ROSI) in community activities through a variety of initiatives continues including:

- Job Assist programmes to help tenants back into training or employment
- Parenting groups and classes for young people in collaboration with family support
- Healthy Growing and Eating Projects to encourage health and well-being
- TBUC funded Good Relation Plans for tenants in shared future schemes
- Summer, Halloween and Christmas festivals staged within a number of communities
- Provision of a play parks in many of our larger schemes
- Employing Welfare Advice Officers
- Affordable and private house sales
- Support of local community sporting groups
- Student placements and apprenticeships
- Enhanced social clauses in Radius construction contracts.

Strategic report of the Board of Management for the year ended 31 March 2020

Finance & Business Performance

Value for Money (Continued)

We will continue to create social value through housing-related support, debt advice, work and learning programmes and community development activities.

Risk Management

Responsibility for the identification of risks is clearly defined and operates through a rolling risk assessment process. Key risks facing the Group are considered by the Board of Management at each board and committee meeting. The Risk Strategy, Policy and Register were fundamentally reviewed in 2019/20. It was felt the scale, complexity and diversity of our business required a cascaded risk management system. Going forward each directorate will have its own risk register. These in turn will feed into an overall corporate risk register.

A special Covid-19 Risk Register and a Covid-19 Scorecard were introduced with the occurrence of the coronavirus pandemic. From this time board members received a weekly report on the effects of the pandemic on customers and the wider business. Radius also reverted to a monthly board meeting format.

The new business plan for 2020/21 was approved in March amidst considerable uncertainty with coronavirus. However the plan was stress-tested against a number of unfavourable variances and scenarios and found to have an appropriate level of resilience and financial capacity to enable us to continue meeting our core objectives.

Performance in the sector is generally affected by government policies and changing legislation, the impact of the regulatory regime, changes in demographic, political or economic conditions or environmental risks. Some of the major factors likely to impact on Radius, our customers and the NI Social Housing Sector include:

- Effects of Corona virus pandemic on customers and the economy
- Welfare reforms
- Whether or not we achieve a negotiated Brexit
- Impact of climate change and related policies
- Cyber and data security
- Future Supporting People strategy
- Rising construction, land and material costs
- Availability of land in areas of demand
- Development risks around planning and water infrastructure capacity
- Retention and availability of skilled and professional labour.

Expected performance in the year ending 31 March 2021

Radius has plans to grow its turnover, excluding property sales, to £95m with an Operating Surplus of £20.6m in 2020/21. We also plan to deliver efficiencies of £1.1m. We successfully designed and adopted a single Radius rent system to replace legacy Fold and Helm systems in 2019/20. Our convergence work continues in 2020/21 as we move to a single Radius system of service charges.

We intend to commence 465 new homes on site, with a further 384 completions planned before 31st March 2021. Our development plans are unfortunately heavily dependent on the pandemic ceasing to inhibit approval and construction activity beyond the summer and government arms-length bodies granting timely approvals on a number of strategic projects; all of which should be possible.

We continue to work with our tenants, community groups and public representatives to manage the transition to universal credit and those other changing aspects of welfare reform. Our community investment initiatives are clearly increasing resilience within shared neighbourhoods. Our advisers are helping to sustain tenancies while supporting tenants into work and education. We are developing more anecdotal evidence in the form of a Social Return on Investment (SROI) report to illustrate the critical value of this work. We want to do more to increase community engagement in inner-city general needs areas and will explore new enabling community-safety strategies with tenants.

We will invest up to £20m in the protection, regeneration and servicing of our housing stock. We will develop a new Asset Management Strategy which will ensure the best possible return on over £110m of investment over the next five years. We are also piloting a special dampness refurbishment programme for our older housing stock. This will help inform how best to complete 300 similar refurbishments over the next eight years.

Strategic report of the Board of Management for the year ended 31 March 2020

Expected performance in the year ending 31 March 2021 *(Continued)*

We are conscious that our customers want and expect their housing provider to do what it possibly can to protect the environment. Sustainability clearly comes at a cost and may involve some reordering of business priorities. We therefore plan to engage with customers, staff and business partners in a dialogue which will inform Radius's 5 year Climate Change Strategy.

Throughout the year we will seek to operate at all times with good governance, corporate responsibility, accountability and transparency while enhancing and improving our offering and delivery of VFM.

Throughout the recent pandemic we have seen the commitment and professionalism of our staff come to the fore. Their hard work, dedication and creativity will ensure Radius comes through these uncertain time and its customers are best able to cope with the challenges which lie ahead.

By order of the Board.

J McLean OBE

Company Secretary

30 June 2020

Report of the Board of Management for the year ended 31 March 2020

The Board of Management present their report and the audited financial statements for the year ended 31 March 2020 of Radius Housing Association Limited (the “Association”) and its subsidiaries (the “Group”).

Board of Management

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

Performance in the year ended 31 March 2020 and expected performance in the year ended 31 March 2021

The sections on performance in the year ended 31 March 2020 are covered in pages 9 to 11 of this report. The expected performance in the year ended 31 March 2021 is covered on pages 11 and 12.

Treasury

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

At 31 March 2020 the Association had loans outstanding of £162 million (2019: £153 million). Average net debt per unit was £12,444 at 31 March 2020 which was up from £11,935 at 31 March 2019.

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

The Association’s interest cover ratio for the year of 257% and the gearing ratio as at 31 March 2020 of 22% comfortably exceeded the Association’s primary lenders’ requirements.

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

Interest rate risk

Exposure to fluctuating interest rates is limited given the majority of the Association’s loans are fixed rate. The Association’s effective interest rate in 2020 was 4.43% (2019: 4.72%).

Liquidity risk

The Group has sufficient long-term loan financing available to achieve business objectives and to facilitate planned growth. The Association had available loan facilities agreed with banks but undrawn of £50 million at 31 March 2020 with a further £52.5 million to be drawn down from Senior Secured Notes in April and October 2020.

Currency risk

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

Charitable donations

Donations and sponsorships totalling £21,590 (2019: £38,500) were made by the Group during the year. No donations for political purposes were made during the year (2019: £nil).

Report of the Board of Management for the year ended 31 March 2020

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

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

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

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

Statement of disclosure of information to auditors

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

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

Internal control

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

Audit

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

Report of the Board of Management for the year ended 31 March 2020

Board of Management, Shareholders and Officers

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

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

We were very grateful for the hard work, dedication and leadership provided by board members: Ms Hilary Kinney who resigned on 11 December 2019 and Mr Peter Ewing who resigned on 27 November 2019 and we were saddened with the passing of our friend and board member Mr Gerry Hughes on 29 December 2019.

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

Independent auditors

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

By order of the Board

D Fitzsimons

Chair of the Board of Management

30 June 2020

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

In our opinion, Radius Housing Association Limited's group and parent association financial statements ("the financial statements"):

- give a true and fair view of the state of the group's and of the parent association's affairs as at 31 March 2020 and of the group's and parent's income and expenditure, 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);
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, the Charities Act (Northern Ireland) 2008, the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

We have audited the financial statements, included within the Annual statement of accounts (the "Annual Report"), which comprise: the consolidated and association statements of financial position as at 31 March 2020; the consolidated and association statements of comprehensive income, the consolidated and association statements of changes in reserves, and the consolidated statement of cash flows for the year then ended; the accounting policies; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law.

Our responsibilities under ISAs (UK) are further described in the Auditors' 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 and parent association 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

ISAs (UK) require us to report to you when:

- the Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group and association's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group and association's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Independent auditors' report to Radius Housing Association Limited (continued)**Reporting on other information (continued)**

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic report "Trustees' Report"

Under the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 we are required to report to you if, in our opinion the information contained in the financial statements is inconsistent in any material respect with the Trustees' Report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit**Responsibilities of the Board for the financial statements**

As explained more fully in the Statement of responsibilities of the members of the Board of Management set out on page 12, the Board is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the group's and parent association's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group and parent association or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 65(2) of the Charities Act (Northern Ireland) 2008 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the parent association 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 section 66 of that Act (Part 4 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015), and article 19 of The Housing (Northern Ireland) Order 1992 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 parent association; or
- the parent financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

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

Other required reporting (continued)

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;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

Martin Cowie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
30 June 2020

Consolidated statement of comprehensive income for the year ended 31 March 2020

	Note	2020 £	2019 £
Turnover	5	87,905,128	89,714,053
Operating costs	6	(68,973,878)	(72,676,588)
Operating surplus	7	18,931,250	17,037,465
Transfer (to)/from disposal proceeds fund	10	(29,557)	88,340
Transfer from Tenant services fund		218,365	-
Interest receivable and similar income	11	40,857	46,371
Interest payable and similar charges	12	(7,173,054)	(7,321,992)
Net pension income	13	49,610	1,013,549
Exceptional costs	7	(730,058)	(215,188)
Surplus on ordinary activities before tax		11,307,413	10,648,545
Taxation	14	-	-
Surplus for the financial year		11,307,413	10,648,545
Other comprehensive income:			
Fair value (loss)/gain on financial instruments		(39,828)	15,481
Pension scheme deficit reduction payments		(2,282,854)	(1,542,750)
Actuarial (loss)/gain in respect of pension schemes	36	(3,178,000)	2,839,000
Total other comprehensive (expense)/income		(5,500,682)	1,311,731
Total comprehensive income for the year		5,806,731	11,960,276

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

All amounts above relate to continuing operations of the Group.

Consolidated statement of changes in reserves for the year ended 31 March 2020

		2020 £	2019 £
Surplus for the financial year		11,307,413	10,648,545
Fair value (loss)/gain on financial instruments		(39,828)	15,481
Pension scheme deficit reduction payments		(2,282,854)	(1,542,750)
Actuarial (loss)/gain recognised in pension scheme	36	(3,178,000)	2,839,000
Net addition to capital and reserves		5,806,731	11,960,276
Opening total capital and reserves		135,049,677	123,089,401
Closing total capital and reserves		140,856,408	135,049,677

Association statement of comprehensive income for the year ended 31 March 2020

		2020	2019
	Note	£	£
Turnover	5	87,905,128	89,711,853
Operating costs	6	(68,974,063)	(73,098,066)
Operating surplus	7	18,931,065	16,613,787
Transfer (to)/from disposal proceeds fund	10	(29,557)	88,340
Transfer from Tenant services fund		218,365	-
Interest receivable and similar income	11	40,857	46,371
Interest payable and similar charges	12	(7,173,054)	(7,321,992)
Net pension income	13	49,610	1,013,549
Exceptional costs	7	(730,058)	(215,188)
Surplus for the financial year		11,307,228	10,224,867
Other comprehensive income:			
Fair value (loss)/gain on financial instruments		(39,828)	15,481
Pension scheme deficit reduction payments		(2,282,854)	(1,542,750)
Actuarial (loss)/gain in respect of pension schemes	36	(3,178,000)	2,839,000
Total other comprehensive (expense)/income		(5,500,682)	1,311,731
Total comprehensive income for the year		5,806,546	11,536,598

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

All amounts above relate to continuing operations of the Association.

Association statement of changes in reserves for the year ended 31 March 2020

		2020	2019
		£	£
Surplus for the financial year		11,307,228	10,224,867
Fair value (loss)/gain on financial instruments		(39,828)	15,481
Pension scheme deficit reduction payments		(2,282,854)	(1,542,750)
Actuarial (loss)/gain recognised in pension scheme	36	(3,178,000)	2,839,000
Net addition to capital and reserves		5,806,546	11,536,598
Opening total capital and reserves		134,593,338	123,056,740
Closing total capital and reserves		140,399,884	134,593,338

Consolidated statement of financial position as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Housing properties - depreciated cost	15	847,860,762	840,259,995
Other tangible fixed assets	16	8,120,380	8,576,169
Investments	17	2,956,738	3,248,019
		858,937,880	852,084,183
Current assets			
Stock	19	6,163,564	48,135
Debtors	20	8,693,431	14,509,147
Investments	21	266,641	264,991
Cash at bank and in hand	22	14,392,824	6,386,355
		29,516,460	21,208,628
Creditors: amounts falling due within one year	23	(40,252,717)	(41,598,572)
Net current liabilities		(10,736,257)	(20,389,944)
Total assets less current liabilities		848,201,623	831,694,239
Creditors: amounts falling due after more than one year	24	(707,345,215)	(696,644,562)
Net assets		140,856,408	135,049,677
Capital and reserves			
Called up share capital	28	39	39
Capital reserve	29	256	256
Revenue reserve		140,856,113	135,049,382
Total capital and reserves		140,856,408	135,049,677

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

The financial statements on pages 19 to 48 were approved and authorised for issue by the Board of Management on 30 June 2020 and were signed on its behalf by:

M Pitt
Chair of Group Finance Committee

J McLean OBE
Company Secretary

Association statement of financial position as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Housing properties - depreciated cost	15	847,860,762	840,259,995
Other tangible fixed assets	16	8,120,380	8,576,169
Investments	17	2,952,488	3,243,769
Investments in subsidiary undertakings	18	250,004	250,004
		859,183,634	852,329,937
Current assets			
Stock	19	6,163,564	48,135
Debtors	20	11,035,117	16,650,605
Investments	21	266,641	264,991
Cash at bank and in hand	22	12,193,920	4,281,361
		29,659,242	21,245,092
Creditors: amounts falling due within one year	23	(41,097,777)	(42,337,129)
Net current liabilities		(11,438,535)	(21,092,037)
Total assets less current liabilities		847,745,099	831,237,900
Creditors: amounts falling due after more than one year	24	(707,345,215)	(696,644,562)
Net assets		140,399,884	134,593,338
Capital and reserves			
Called up share capital	28	39	39
Capital reserve	29	256	256
Revenue reserve		140,399,589	134,593,043
Total capital and reserves		140,399,884	134,593,338

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

The financial statements on pages 19 to 48 were approved and authorised for issue by the Board of Management on 30 June 2020 and were signed on its behalf by:

M Pitt
Chair of Group Finance Committee

J McLean OBE
Company Secretary

Consolidated statement of cash flows for the year ended 31 March 2020

	Note	2020 £	2019 £
Net cash from operating activities	30	17,723,468	23,764,751
Cash flow from investing activities			
Purchase and development of housing properties		(24,151,445)	(35,893,468)
Housing Association Grant and other grants		12,520,109	15,369,797
Receipts from disposal of housing properties		1,214,778	1,890,093
Purchase of other assets and investments		-	(149,968)
Receipts from disposal of other assets and investments		291,281	-
Interest received		40,857	46,371
Net cash used in investing activities		(10,084,420)	(18,737,175)
Cash flows from financing activities			
New loans		59,504,958	3,100,000
Loan principal repayments		(51,830,142)	(4,759,115)
Interest paid		(7,305,745)	(7,321,992)
Net cash from/(used) in financing activities		369,071	(8,981,107)
Net increase/(decrease) in cash and cash equivalents		8,008,119	(3,953,531)
Cash and cash equivalents at the beginning of the year		6,651,346	10,604,877
Cash and cash equivalents at the end of the year	31	14,659,465	6,651,346

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

Notes to the financial statements for the year ended 31 March 2020**1 General information**

The Group and Association's principal activity during the financial year was providing high quality homes for rent throughout Northern Ireland. The group is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and domiciled in the UK. The address of the registered office is Radius House, 38 - 52 Lisburn Road, Belfast, Co. Down, BT9 6AA.

2 Statement of compliance

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

3 Summary of significant accounting policies

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

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

Basis of preparation of financial statements

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

Basis of consolidation

The Group income and expenditure account and balance sheet include the financial statements of the Group and its subsidiary undertakings made up to 31 March 2020. Intra Group transactions, any unrealised profits/losses arising and intercompany balances are eliminated fully on consolidation.

Foreign currencies

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

Revenue recognition

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

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

Notes to the financial statements for the year ended 31 March 2020**3 Summary of significant accounting policies (continued)****Revenue recognition (continued)****i) Net rental income**

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

ii) Other income

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

Employee benefits

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

i) Short term benefits

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

ii) Multi-employer pension plan

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

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

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

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

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

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

Tangible fixed assets**Housing properties**

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

Housing properties are stated at cost including an appropriation of on costs and net of initial sales proceeds from part owners in respect of leasehold schemes.

Notes to the financial statements for the year ended 31 March 2020**3 Summary of significant accounting policies (continued)****Tangible fixed assets (continued)****Other fixed assets**

Other fixed assets are stated at cost less accumulated depreciation.

Schemes under construction

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

Capitalisation of development costs

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

Housing Association Grant and other grants

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

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

Depreciation and Impairment**Housing properties**

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

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

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

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

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

Notes to the financial statements for the year ended 31 March 2020**3 Summary of significant accounting policies (continued)****Housing properties (continued)****Long leasehold office property**

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

Other fixed assets

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

Office and computer equipment	25% per annum
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Subsequent additions and major components

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

Derecognition

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

Leased assets

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

Stock

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

Operating leased assets

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

Cash and cash equivalents

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

Current asset investments

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

Notes to the financial statements for the year ended 31 March 2020**3 Summary of significant accounting policies (continued)****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 (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

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

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

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

i) Provisions

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

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.

ii) Contingencies

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

Financial instruments

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

i) Financial assets

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

Notes to the financial statements for the year ended 31 March 2020**3 Summary of significant accounting policies (continued)****i) Financial assets (continued)**

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

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

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

ii) Financial liabilities

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all 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.

Disposal proceeds fund

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

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

Revenue reserves

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

Notes to the financial statements for the year ended 31 March 2020

4 Critical accounting judgements and estimation uncertainty

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

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

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

(b) Critical accounting estimates and assumptions

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

(i) Useful economic lives of housing properties

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

(ii) Defined benefit pension scheme

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

There are no other critical accounting estimates and assumptions.

5 Analysis of turnover

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

6 Operating costs

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Direct costs	63,431,880	67,321,065	63,399,112	67,742,543
Administrative expenses	5,541,998	5,355,523	5,574,951	5,355,523
	68,973,878	72,676,588	68,974,063	73,098,066

Notes to the financial statements for the year ended 31 March 2020

7 Operating surplus

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
This is stated after charging/(crediting):				
Staff costs (note 8)	20,764,818	20,428,598	20,764,818	20,428,598
Depreciation (note 15, 16)	15,202,362	15,929,297	15,202,362	15,929,297
HAG amortisation (note 27)	(12,540,029)	(12,922,856)	(12,540,029)	(12,922,856)
Exceptional item – provision for onerous lease and impairment	730,058	215,188	730,058	215,188
Loss/(profit) on disposal of fixed assets	(167,884)	453,316	(167,884)	453,316
Fees payable to the Association's auditor in respect of audit services	42,740	40,000	42,740	40,000
Fees payable in respect of internal audit services	36,756	17,756	36,756	17,756

8 Employee information

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Staff costs				
Wages and salaries	16,925,697	16,607,199	16,925,697	16,607,199
Social security costs	1,322,366	1,216,621	1,322,366	1,216,621
Other pension costs	2,516,755	2,604,778	2,516,755	2,604,778
	20,764,818	20,428,598	20,764,818	20,428,598

	Number	Number
	2020	2019
Average monthly number of persons employed during the financial year by activity:		
Administration and management	333	333
Scheme co-ordinators and ancillary staff	246	240
Care staff, cleaners and others	317	314
	896	887

Notes to the financial statements for the year ended 31 March 2020

9 Directors' Emoluments

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

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Aggregate emoluments	710,641	703,567	710,641	703,567
Pension contributions	159,028	153,255	159,028	153,255
	869,669	856,822	869,669	856,822

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

The Board and Committee members were reimbursed for expenses totalling £3,558 during the year (2019: £4,646).

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

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Aggregate emoluments	147,411	144,544	147,411	144,544
Pension contributions	42,577	41,749	42,577	41,749
	189,988	186,293	189,988	186,293

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

	Group		Association	
	2020	2019	2020	2019
Salary Band:	No	No	No	No
£145,000 - £150,000	1	-	1	-
£140,000 - £145,000	-	1	-	1
£95,000 - £100,000	3	-	3	-
£90,000 - £95,000	2	3	2	3
£85,000 - £90,000	1	2	1	2
£75,000 - £80,000	-	1	-	1
	7	7	7	7

Notes to the financial statements for the year ended 31 March 2020

10 Transfer to disposal proceeds fund

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Opening Balance	2,804,384	3,648,556	2,804,384	3,648,556
Transfer to/(from) disposal fund	(29,557)	88,340	(29,557)	88,340
Transfer of Grant on Disposal	708,570	590,673	708,570	590,673
Purchases in the year	(879,470)	(1,522,735)	(879,470)	(1,522,735)
Closing balance	2,603,927	2,804,834	2,603,927	2,804,834

11 Interest receivable and similar income

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Interest receivable	40,857	46,371	40,857	46,371

12 Interest payable and similar charges

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Housing property loans	7,173,054	7,321,992	7,173,054	7,321,992

13 Net pension income

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Defined benefit pension scheme net interest income (note 36)	49,610	1,013,549	49,610	1,013,549

14 Taxation on profit on ordinary activities

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
UK corporation tax charge on profit for the year	-	-	-	-
Adjustments in respect of prior years	-	-	-	-
Total current tax	-	-	-	-

Notes to the financial statements for the year ended 31 March 2020

15 Tangible fixed assets - housing properties

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Cost				
At 1 April	1,018,096,515	985,506,062	1,018,096,515	985,930,885
Additions	29,865,999	35,893,468	29,865,999	35,468,645
Transfer to Stock	(6,013,472)	-	(6,013,472)	-
Disposals	(2,702,002)	(3,303,015)	(2,702,002)	(3,303,015)
At 31 March	1,039,247,040	1,018,096,515	1,039,247,040	1,018,096,515
Depreciation				
At 1 April	177,836,520	164,606,106	177,836,520	164,606,106
Charge for the year	14,447,655	14,399,483	14,447,655	14,399,483
Impairment for the year	421,442	697,169	421,442	697,169
Disposals	(1,319,339)	(1,866,238)	(1,319,339)	(1,866,238)
At 31 March	191,386,278	177,836,520	191,386,278	177,836,520
Net book value				
At 31 March	847,860,762	840,259,995	847,860,762	840,259,995
Net book amount comprises:				
Freehold property	794,196,275	781,874,467	794,196,275	781,874,467
Long leasehold property	53,664,487	58,385,528	53,664,487	58,385,528
	847,860,762	840,259,995	847,860,762	840,259,995
Completed schemes	806,087,375	801,058,050	806,087,375	801,058,050
Properties under construction	41,773,387	39,201,945	41,773,387	39,201,945
	847,860,762	840,259,995	847,860,762	840,259,995

Notes to the financial statements for the year ended 31 March 2020

16 Other tangible fixed assets

Group and Association	Long leasehold office property £	Office and computer equipment £	Total £
Cost			
At 1 April 2019	12,376,405	5,164,835	17,541,240
Additions	-	298,919	298,919
At 31 March 2020	12,376,405	5,463,754	17,840,159
Depreciation			
At 1 April 2018	4,597,943	4,367,128	8,965,071
Charge for year	237,800	516,908	754,708
At 31 March 2020	4,835,743	4,884,036	9,719,779
Net book amount			
At 31 March 2020	7,540,662	579,718	8,120,380
At 31 March 2019	7,778,462	797,707	8,576,169

17 Investments

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
At 31 March 2019	3,248,019	3,229,271	3,243,769	3,225,021
(Disposals)/additions	(291,281)	18,748	(291,281)	18,748
At 31 March 2020	2,956,738	3,248,019	2,952,488	3,243,769

Association investments relate to THFC sinking funds. Group investments also include ground rent investment of £4,250.

18 Investment in subsidiary undertakings

	£
Cost	
At 31 March 2019 and at 31 March 2020	250,004

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

Name of company	Holding	Proportion held	Registered Office
Tealstone Developments Limited	Ordinary shares	100%	38-52 Lisburn Road Belfast BT9 6AA
Radius Homes Limited	Ordinary shares	100%	38-52 Lisburn Road Belfast BT9 6AA

Notes to the financial statements for the year ended 31 March 2020

19 Stock

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Consumables	150,092	48,135	150,092	48,135
New homes for sale	6,013,472	-	6,013,472	-
	6,163,564	48,135	6,163,564	48,135

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

20 Debtors

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Rental Debtors Gross – Technical	2,703,612	2,303,623	2,703,612	2,303,623
Rental Debtors Gross – Non-technical	1,957,788	1,668,141	1,957,788	1,668,141
Provision for bad debts	(1,098,393)	(1,012,780)	(1,098,393)	(1,012,780)
Net rental (including rates, service charges) debtors	3,563,007	2,958,984	3,563,007	2,958,984
Other Debtors	2,317,371	1,156,187	2,315,588	1,154,179
Prepayments and accrued income	655,626	1,351,979	655,626	1,351,979
Housing Association Grant receivable	2,157,427	9,041,997	2,157,427	9,041,997
Amounts owed by subsidiary undertakings (note 40)	-	-	2,343,469	2,143,466
	8,693,431	14,509,147	11,035,117	16,650,605

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

21 Current asset investments

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Short term deposits	266,641	264,991	266,641	264,991

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

22 Cash and cash equivalents

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Cash at bank	14,392,824	6,386,355	12,193,920	4,281,361

Notes to the financial statements for the year ended 31 March 2020

23 Creditors: amounts falling due within one year

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Bank loans & senior notes (note 26)	4,115,155	7,173,017	4,115,155	7,173,017
DFC loans (note 26)	213,921	266,084	213,921	266,084
THFC premium	110,816	110,816	110,816	110,816
Other tax and social security	110,938	115,598	110,938	115,598
Rent, rates and service charges received in advance	1,100,579	983,256	1,100,579	983,256
Housing Association Grant in advance	7,970,760	3,798,563	7,970,760	3,798,563
Other creditors	4,205,497	3,408,871	3,088,404	3,162,425
Disposal Proceeds Fund	1,593,294	2,705,373	1,593,294	2,705,373
Accruals and deferred income	8,098,099	9,983,720	8,098,099	9,983,720
Amounts owed to subsidiary undertakings (note 40)	-	-	1,962,153	985,004
Housing Association Grant (note 27)	11,983,555	12,084,806	11,983,555	12,084,806
Tenant services account	750,103	968,468	750,103	968,468
	40,252,717	41,598,572	41,097,777	42,337,129

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

24 Creditors: amounts falling due after more than one year

	Group		Association	
	2020	2019	2020	2018
	£	£	£	£
Bank loans & senior notes (Note 26)	157,316,270	146,317,507	157,316,270	146,317,507
DFC loans (Note 26)	294,910	508,831	294,910	508,831
THFC premium	2,326,744	2,437,559	2,326,744	2,437,559
Disposal proceeds fund	1,010,633	99,461	1,010,633	99,461
Housing Association Grant (note 27)	532,086,240	536,973,198	532,086,240	536,973,198
Future pension contribution liability (note 36)	10,539,000	7,414,000	10,539,000	7,414,000
Fair value of financial instruments	615,623	575,795	615,623	575,795
Other creditors	3,155,794	2,318,211	3,155,794	2,318,211
	707,345,215	696,644,562	707,345,215	696,644,562

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

Notes to the financial statements for the year ended 31 March 2020

25 Financial instruments

The group and Association has the following financial instruments:

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Financial assets that are debt instruments measured at amortised cost				
Rental debtor (note 20)	3,563,007	2,958,984	3,563,007	2,958,984
Other debtors (note 20)	2,317,371	1,156,187	2,315,588	1,154,179
Housing Association Grant receivable (note 20)	2,157,427	9,041,997	2,157,427	9,041,997
Investments in long term deposits (note 17)	2,956,738	3,248,019	2,952,488	3,243,769
Investments in short term deposits (note 21)	266,641	264,991	266,641	264,991
Cash at bank and in hand (note 22)	14,392,824	6,386,355	12,193,920	4,281,361
Amounts owed by subsidiary undertakings (note 40)	-	-	2,343,469	2,143,466
	25,654,008	23,056,533	25,792,540	23,088,747
Financial liabilities measured at amortised cost				
DfC loans (note 26)	508,831	774,915	508,831	774,915
Bank loans & senior notes (note 26)	161,431,425	153,490,524	161,431,425	153,490,524
Other creditors (note 23 & 24)	9,132,184	7,575,457	8,015,091	7,329,011
Accruals and deferred income (note 23)	8,098,099	9,983,720	8,098,099	9,983,720
Amounts owed to subsidiary undertakings (note 40)	-	-	1,962,153	985,004
	179,170,539	171,824,616	180,015,599	172,563,174
Financial liabilities measured at fair value through other comprehensive income				
Derivative financial instrument (note 24)	615,623	575,795	615,623	575,795
Retirement benefit obligation (note 36)	10,539,000	7,414,000	10,539,000	7,414,000
	11,154,623	7,989,795	11,154,623	7,989,795

Financial assets and liabilities measured at fair value through other comprehensive income are made up of derivative financial instruments. In accordance with the group's policy on hedging, interest rate exposure is mitigated by entering into interest rate swaps.

26 Loans

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Bank loans				
Less than one year, or on demand	4,115,155	7,173,017	4,115,155	7,173,017
Between one and two years	7,742,425	21,028,740	7,742,425	21,028,740
Between two and five years	15,822,534	28,340,564	15,822,534	28,340,564
After more than five years	82,246,354	96,948,203	82,246,354	96,948,203
Senior notes				
After more than five years	51,504,958	-	51,504,958	-
	161,431,426	153,490,524	161,431,426	153,490,524

Notes to the financial statements for the year ended 31 March 2020

26 Loans (continued)

Bank and other loans

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

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

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

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

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

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

Senior notes

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

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

These notes are secured by way of a mortgage upon the deeds of various properties. The figures included in the note above are net of debt issue costs of £995,042 that will be released to the statement of comprehensive income over the life of the various notes.

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Department for Communities				
Less than one year	213,921	266,084	213,921	266,084
Between one and two years	251,935	213,922	251,935	213,922
Between two and five years	42,975	292,164	42,975	292,164
After more than five years	-	2,745	-	2,745
	508,831	774,915	508,831	774,915

Department for Communities loans

The loans from the Department for Communities bear interest rates ranging between 9.5% and 15.25% at fixed rates and are repayable on an amortised basis (capital and interest) over 30 years. All DfC loans are secured by way of mortgages upon the deeds of Radius properties.

Notes to the financial statements for the year ended 31 March 2020

27 Housing Association Grant

Group and Association	2020 £	2019 £
Housing Association and other grants		
At 1 April	710,556,343	697,742,189
Additions	12,520,110	17,438,934
HAG in advance	(4,172,198)	(3,443,324)
Disposals	(885,690)	(796,934)
Transfers from HAG	-	(384,522)
At 31 March	718,018,565	710,556,343
Amortisation		
At 1 April	161,498,339	148,674,894
Charge for the year	12,540,029	12,922,856
Disposals	(89,598)	(99,411)
At 31 March	173,948,770	161,498,339
Net book value		
At 31 March	544,069,795	549,058,004

28 Called up share capital

	Group		Association	
	2020 £	2019 £	2020 £	2019 £
Ordinary shares of £1 each, fully paid				
At 1 April	39	39	39	39
At 31 March	39	39	39	39

29 Capital reserve

	Group		Association	
	2020 £	2019 £	2020 £	2019 £
At 1 April	256	256	256	256
Transfer from share capital	-	-	-	-
At 31 March	256	256	256	256

Notes to the financial statements for the year ended 31 March 2020

30 Net cash inflow from operating activities - Group

	2020 £	2019 £
Operating surplus	18,876,239	17,490,781
Exceptional items	(708,000)	(215,188)
Difference between pension charge and cash contributions	(2,286,244)	(1,542,201)
Depreciation charge	15,623,805	15,929,297
HAG amortisation	(12,540,029)	(12,922,856)
Loss/(profit) on disposal of tangible fixed assets	167,884	(453,316)
Movement in debtors	5,815,716	5,503,688
Movement in creditors	(1,110,474)	(1,942,432)
Movement in stock	(6,115,429)	1,916,978
Net cash inflow from operating activities	17,723,468	23,764,751

31 Analysis of net debt - Group

	1 April 2019 £	Cash flow and non cash movements £	31 March 2020 £
Cash at bank and in hand	6,386,355	8,006,469	14,392,824
Short term investments	264,991	1,650	266,641
Cash and cash equivalents	6,651,346	8,008,119	14,659,465
Debt due within one year	(7,439,101)	3,110,025	(4,329,076)
Debt due after one year	(146,826,339)	(10,784,841)	(157,611,180)
Debt	(154,265,440)	(7,674,816)	(161,940,256)
Net Debt	(147,614,094)	333,303	(147,280,791)

32 Reconciliation of net cash flow to movement in net debt

	2020 £	2019 £
Increase/(decrease) in cash and cash equivalents in financial year	8,008,119	(3,953,531)
Repayment of loans	51,830,142	4,759,115
New loans	(59,504,958)	(3,100,000)
Movement in net debt in the financial year	333,303	(2,294,416)
Net debt at 1 April	(147,614,094)	(145,319,678)
Net debt at 31 March	(147,280,791)	(147,614,094)

Notes to the financial statements for the year ended 31 March 2020

33 Turnover, operating costs and operating surplus - Association

Turnover, operating costs and operating surplus	2020			2019		
	Operating Turnover £	Operating Costs £	Operating Surplus £	Operating Turnover £	Operating Costs £	Operating Surplus £
Social Housing Activities (note 35)	83,811,687	65,262,865	18,548,821	80,761,538	64,513,546	16,257,992
Non-Social Housing Activities (note 35)	4,091,241	3,708,998	382,244	8,950,315	8,594,520	355,795
Total	87,902,928	68,971,863	18,931,065	89,711,853	73,098,066	16,613,787

34 Housing Stock - Association

Number of units owned on 31 March 2020	2020	2019
General needs housing	8,495	8,414
Sheltered	3,319	3,331
Supported housing (including housing with care)	1,199	1,180
Total owned	13,013	12,925

Number of units managed by (but not owned) on 31 March 2020		
Sheltered	90	100
General Needs	17	16
	107	116
Total units owned and managed at 31 March 2020	13,120	13,041

Notes to the financial statements for the year ended 31 March 2020

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

Social Housing Activities	General Needs Housing £	Sheltered Housing £	Care/ Supported Housing £	2020 Total Social Housing £	General Needs Housing £	Sheltered Housing £	Care/ Supported Housing £	2019 Total Social Housing £
<i>Income from Social Housing Lettings</i>								
Rent receivable net of service charges	39,801,341	10,694,598	3,174,505	53,670,444	38,356,497	10,283,001	3,071,800	51,711,298
Service charges receivable	2,170,065	5,285,423	617,420	8,072,908	2,215,563	5,065,864	544,439	7,825,866
Supporting People	113,571	1,400,066	1,029,834	2,543,471	157,522	1,876,659	812,952	2,847,133
Other Support & Care Charges	(10,212)	501,321	105,273	596,382	-	-	-	-
SMNA/Care Charges	-	-	8,393,747	8,393,747	-	-	7,991,039	7,991,039
Grant Amortisation	10,494,439	-	1,635,278	12,129,717	10,702,776	-	1,733,787	12,436,563
Other	350,575	2,217	-	352,792	287,733	-	-	287,733
Gross Income from rents and service charges	52,919,779	17,883,625	14,956,057	85,759,461	51,720,091	17,225,524	14,154,017	83,099,632
Less voids	(1,055,534)	(458,361)	(433,879)	(1,947,774)	(1,297,034)	(594,480)	(446,580)	(2,338,094)
Net Income from rents and service charges	51,864,245	17,425,264	14,522,178	83,811,687	50,423,057	16,631,044	13,707,437	80,761,538
<i>Operating Costs</i>								
Bad debts (rent and service charges)	256,988	82,899	74,610	414,497	-	-	-	373,571
Services	1,948,543	5,553,573	789,156	8,291,272	1,849,614	1,033,424	4,512,263	7,395,301
Supporting People	51,955	1,684,270	1,167,311	2,903,536	-	-	-	10,457,919
Other Support & Care Charges	787,163	217,176	7,778,365	8,782,704	-	-	-	-
Management costs	3,393,475	1,143,158	956,021	5,492,654	3,865,958	1,050,882	1,275,020	6,191,860
Maintenance Admin costs	1,237,619	775,064	332,318	2,345,001	1,285,465	343,250	878,554	2,507,269
Planned & cyclical maintenance	1,919,301	2,758,436	1,049,878	5,727,615	2,230,238	963,765	2,742,180	5,936,183
Reactive maintenance	6,603,615	2,637,151	1,207,901	10,448,667	6,508,418	1,209,171	3,048,913	10,766,502
Major repairs	378,318	178,852	132,325	689,495	170,007	205,888	297,554	673,449
Ground rent	42,630	-	-	42,630	49,044	-	-	49,044
Depreciation of social housing	12,998,121	2,754	1,446,780	14,447,655	-	-	-	14,399,485
Rates discount	(567,027)	-	-	(567,027)	(324,094)	-	-	(324,094)
Loss on Disposal of Assets	167,884	-	-	167,884	-	-	-	-
Admin costs	3,287,779	1,107,552	926,244	5,321,575	2,965,755	823,458	1,002,153	4,791,096
Total social housing expenditure	32,506,364	16,057,985	15,786,300	64,508,158	18,600,405	5,629,838	13,756,637	64,508,158
Operating Surplus on social housing	19,357,881	1,284,379	(1,338,731)	19,303,529				17,543,953

Notes to the financial statements for the year ended 31 March 2020

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

Social Housing Activities (continued)	General Needs Housing £	Sheltered Housing £	Care/ Supported Housing £	2020 Total Social Housing £	General Needs Housing £	Sheltered Housing £	Care/ Supported Housing £	2019 Total Social Housing £
DFC allowances								
Management allowances	3,347,982	1,316,700	471,042	5,135,724	3,266,604	1,316,700	467,280	5,050,584
Management costs	(3,393,475)	(956,021)	(1,143,158)	(5,492,654)	(3,865,958)	(1,050,882)	(1,275,020)	(6,191,860)
Surplus/(deficit)	(45,493)	360,679	(672,116)	(356,930)	(599,354)	265,818	(807,740)	(1,141,276)
Maintenance allowances	3,922,888	1,542,800	551,928	6,017,616	3,827,536	1,542,800	547,520	5,917,856
Planned and cyclical maintenance	(1,919,301)	(1,049,878)	(2,758,436)	(5,727,615)	(2,230,238)	(963,765)	(2,742,180)	(5,936,183)
Reactive maintenance	(6,603,615)	(1,207,900)	(2,637,150)	(10,448,665)	(6,508,418)	(1,209,171)	(3,048,913)	(10,766,502)
Maintenance Administration	(1,237,619)	(332,318)	(775,064)	(2,345,001)	(1,285,465)	(343,250)	(878,554)	(2,507,269)
Surplus/(deficit)	(5,837,647)	(1,047,296)	(5,618,722)	(12,503,665)	(6,196,585)	(973,386)	(6,122,127)	(13,292,098)
Gross income from rents and service charges								
Technical	42,074,765			42,074,765	40,729,582			40,729,582
Non-Technical	31,202,187			31,202,187	29,645,754			29,645,754
Total	73,276,952			73,276,952	70,375,336			70,375,336

Notes to the financial statements for the year ended 31 March 2020

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

	2020 £	2020 £
Operating income		
Connect 24	2,548,524	2,586,543
Development Allowances	683,721	1,629,537
Affordable House Sales	-	3,866,500
Staying Put (Supporting People)	402,139	394,342
Staying Put Other Income	(7,004)	-
Care Services	345,739	354,193
Other Income	120,322	119,200
Total non-social housing income	4,093,441	8,950,315
Operating costs		
Connect 24 costs	1,769,555	2,054,150
Development	909,298	1,608,200
Affordable House Sales	-	3,724,335
Administration costs	253,612	520,715
Staying Put (Supporting People)	356,845	351,132
Care services	330,081	333,319
Depreciation of non-social housing assets	754,707	832,645
Other costs	91,806	2,669
Total non-social housing expenditure	4,465,904	9,427,165
Operating deficit on non-social housing	(372,463)	(476,850)

36 Pension commitments

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

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

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

NILGOSC pension scheme is considered a related party of the Association. The most recent valuation was conducted as at 31 March 2020 by a qualified actuary for the purpose of the disclosures below.

Notes to the financial statements for the year ended 31 March 2020

36 Pension commitments (continued)

The major assumptions used by the actuary were:

	2020	2019	2018	2017
Rate of increase in salaries	3.50%	3.60%	3.50%	3.50%
Rate of increase in pensions in payment	2.00%	2.10%	2.00%	2.00%
Discount rate	2.30%	2.50%	2.60%	2.60%

The mortality assumptions used were as follows:

	2020 Years	2019 Years	2018 Years	2017 Years
Longevity at age 65 for current pensioners:				
- Men	21.8	22.6	23.2	23.2
- Women	25.0	24.9	25.8	25.4
Longevity at age 45 for future pensioners:				
- Men	23.2	24.9	25.8	25.8
- Women	26.4	26.7	28.1	28.1

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

	2020 £'000	2019 £'000
Equities	31,789	44,330
Property	7,462	8,344
Government Bonds	19,476	12,293
Corporate Bonds	9,402	5,215
Cash	3,507	2,012
Other	2,985	2,310
Total market value of assets	74,621	74,504
Present value of scheme liabilities	(85,160)	(81,918)
Net pension deficit	(10,539)	(7,414)

Reconciliation of fair value of scheme assets

	2020 £'000	2019 £'000
At 1 April	74,504	66,308
Interest income on assets	1,898	1,768
Remeasurement gains/(losses) on assets	(4,633)	3,059
Employer contributions	3,814	3,939
Member contributions	444	488
Benefits paid	(1,406)	(1,058)
At 31 March	74,621	74,504

Notes to the financial statements for the year ended 31 March 2020

36 Pension commitments (continued)

Reconciliation of present value of scheme liabilities	2020 £'000	2019 £'000
At 1 April	81,918	77,574
Current service cost	2,732	2,656
Interest expense on defined benefit obligation	2,036	2,010
Contributions by participants	444	488
Actuarial losses/(gains) on liabilities	(1,455)	220
Net benefits paid out	(1,406)	(1,058)
Past service cost	891	28
At 31 March	85,160	81,918

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

	2020 £'000	2019 £'000
Current service cost	2,732	2,656
Past service costs	891	28
Net interest cost	138	242
	3,761	2,926

Actuarial losses and gains

The total amount of actuarial losses/gains recognised in other comprehensive income is a loss of £3,178,000 (2019: gain of £2,839,000).

Amounts for current and previous three years:

	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Scheme liabilities	(85,160)	(81,918)	(77,574)	(78,833)
Scheme assets	74,621	74,504	66,308	64,536
Deficit	(10,539)	(7,414)	(11,266)	(14,297)

37 Contingent liabilities

The accumulated amount of Housing Association grant amortised and released to reserves as at 31 March 2020 was £173,948,770. The possibility of any reimbursement to the Department for Communities is considered to be unlikely as the housing properties are expected to continue to be made available for social housing for the foreseeable future.

38 Capital commitments - Housing Properties – Association

	2020 £	2019 £
Contracted for but not provided in the financial statements	32,564,123	68,607,454

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

Notes to the financial statements for the year ended 31 March 2020

39 Operating lease commitments

At 31 March 2020 the Association had the following future minimum lease payments under a non-cancellable operating lease for motor vehicles for each of the following periods:

	2020	2019
	£	£
Within one year	18,936	16,300
Between two to five years	50,496	-

40 Related party disclosures

Tealstone Developments Limited and Radius Homes Limited are defined to be related undertakings by virtue of the fact that they are 100% subsidiaries of Radius Housing Association Limited. Radius Housing Association Limited is also an admitted body to the Northern Ireland. Local Government Officers' Superannuation Committee (NILGOSC) and make contributions on behalf of those of its employees who are in the scheme.

Details of the subsidiaries are disclosed in Note 18. The balances with the subsidiaries at the year-end were as follows:

	2020	2019
	£	£
Amounts owed by subsidiary undertakings		
Radius Homes Limited	2,343,469	2,143,466
Amounts owed to subsidiary undertakings		
Radius Homes Limited	1,962,153	985,004

Transactions between these related parties during the year were as follows:

	2020	2019
	£	£
Radius Homes Limited		
Management and administration charge from Radius Housing Association Limited to Radius Homes Limited	597,846	468,826
Fold Housing Association (Ireland) Limited		
Total Costs	26,511	55,082