Orbit Housing Association Limited

Financial statements

For the year ended 31 March 2026

Co-operative and Community Benefit Society Number 27802R

Regulator of Social Housing Number L4060

CONTENTS	PAGE

The Board, Executive Officers and Advisors

Board Members

Name	Position	Appointed	Resigned / Retired
Manpreet Dillon	Non Executive Director	8 October 2021 1 June 2025 (reappointed)	31 March 2025
Helen Gillett	Non Executive Director	1 February 2019	31 March 2026
Priya Khullar	Non Executive Director	1 May 2024	
Stephen Jack	Non Executive Director	1 April 2025 (Chair from 1 April 2025)	
Stephen Stone	Non Executive Director	1 April 2025	31 March 2026
Stephen Smith	Non Executive Director	1 April 2025	
Phil Andrew	Executive Member	1 April 2025	
Emma Kenny	Non Executive Director	1 April 2025	
Maxwell Doku	Non Executive Director	1 April 2025	
Sayo Ogundayo	Non Executive Director	1 April 2025	
Michelle Dovey	Non Executive Director	1 June 2025	
Paul Crawford	Non Executive Director	1 June 2025	31 December 2025
Tracy Sheedy	Non Executive Director	1 February 2026	
Stephen Batley	Non Executive Director	1 April 2026	

Senior Management Team

Director	Role
Scott Rutherford	Chief Property Officer
Joe Brownless	Chief Customer Officer
Simon Cosson	Finance Director Customer and Communities
Jude Cross	Director of Customer Strategy
Dan McCormack	Director of Neighbourhoods and Communities
Katherine Buxton	Director of Housing Services
Jeanette Hodges	Strategic Asset Management Director
Colin Robinson	Interim Director of Property Supply Chain
Jeremy Hill	Director of Property Transformation
Jayne Lombardi	Director of Home Repairs
Jacqui Campbell	Director of Home Safety and Improvements
Charley Oulton	Interim Director of Customer Experience

Advisors

Independent Auditor	Registered office
KPMG LLP Suite 6 New Kings Court Chandler's Ford Eastleigh SO53 3LG	Garden Court Binley Business Park Harry Weston Road Binley Coventry CV3 2SU

Orbit Housing Association Limited (Orbit Housing Association) is part of the Orbit Group ("Orbit"); founded in 1967, we have been investing in the provision of quality homes and services for over fifty years. This report gives some highlights about our work. More detail about the activities of the Group, including our value for money statement, is included in the Orbit Group Annual Report and Financial Statements at www.orbit.org.uk.

Financial Performance

Orbit Housing Association generated operating profits before property sales of £72.2 million (2025: £58.1 million). Operating margin excluding property sales and movement in fair value of investment properties has increased to 24.8% (2025: 21.8%). This has been driven by an improvement in rental income (both new builds as well as rent increases) and keeping control of operating costs. We have continued to invest in property safety, bringing in skills to ensure that we can continue to meet increased levels of regulation under the Building Safety Act and to ensure we deliver value for money.

Turnover has increased by £12.6 million to £289.3 million (2025: £276.7 million). Net rental income increased by £9.2 million mainly due to annual rental increases.

Overall operating costs are £217.4 million an increase of £1 million on the prior year (2025: £216.5 million). It has been a financially challenging year that has seen increased volumes and costs of day to day repairs combined with damp, mould & condensation costs and compensation (driven by increased customer awareness through Awaab's Law) and higher levels of disrepair claims. More complex repairs (including those relating to damp, mould & condensation) have also led to an increase in customer relocations to temporary accommodation. One off salary costs relating to restructuring to deliver more efficient processes have also been incurred. We continue to invest in services to our customers to support them in ensuring they have the right skills to manage their budgets and tenancies, and continue to drive efficiencies through various value for money initiatives. This includes investment in our procurement team and systems to improve customer service. These increased levels of spend have been partly offset by efficiency improvements. We have incurred depreciation charges of £52.5 million (2025: £47.7 million), the increase year on year relates to new properties coming into management and depreciation on capital reinvestment in our properties, including net zero carbon.

Interest payable on loans primarily used to fund new homes has increased by £2.2 million to £60.2 million (2025: £58.0 million).

Total comprehensive income was £17.3 million (2025: £20.9 million), a decrease of £3.6 million on 2025 primarily driven by a lower level of surplus on the sale of housing properties (£16.3 million) offset by increases in income of (£12.6) million mainly relating to rent increases and new properties into management.

Tangible fixed assets rose by £181.6 million (from £2,708.1 million in 2025 to £2,889.7 million in 2026) reflecting our development of new homes as well as our investment in improving existing homes for customers. Total net assets rose by £17.3 million to £522.3 million (2025: £505 million) representing the surplus for the year.

We will continue to invest this surplus into repairing and improving our existing properties, in providing better services to customers in our communities and neighbourhoods and in the development of new homes.

Strategy

We launched our 2030 Strategy at the beginning of 2024/25, setting out our ambition to provide amongst the best customer experience of any housing association in the country. In 2025/26, we updated our Strategy to reflect our continued commitment to playing our part in tackling the UK's housing crisis, with an increased build and regeneration commitment, and incorporated our new approach to Inclusion and Belonging alongside confirming a new social value target of delivering £550 million in social value by 2030.

Everyday Excellence

In 2024 we launched Everyday Excellence, our five-year transformational delivery programme that turns the principles of what we want to achieve in our 2030 Strategy into actions. Through this we are reshaping how we work by putting in place the right structures, culture and capabilities, supported by improved systems, processes and technology, to embed an ethos of operational excellence and continuous improvement, focused on high-quality delivery of excellent customer experience. Together, these enhancements will enable us to deliver a consistently high-quality customer experience and strengthen our performance as a leading social landlord.

Delivering excellent customer services and support

This year has been a pivotal period in strengthening our commitment to delivering consistently high-quality customer service and support. The progress we have made reflects both the scale of our ambition and the dedication of our colleagues across the organisation. From introducing a new Neighbourhood Approach and launching the first phase of our customer relationship management system, to deepening our understanding of customer needs and expanding the wraparound support available within our communities, each improvement brings us closer to delivering a more personalised, responsive and seamless customer experience.
While we are proud of how far we have come, we know there is much more to do. The insights shared by our customers continue to guide our priorities, ensuring we focus our efforts where they will have the greatest impact.

Our Customer Commitments

We introduced our Customer Commitments, developed in partnership with our customers, to define what they value most from us and what we must deliver in return.

Developing our Customer Journey

Over the past year, we've taken significant steps to enhance our Customer Journey, collaborating with colleagues to reimagine how our services are experienced by those we support. Central to this progress was a series of Everyday Excellence Customer Journey workshops, which brought teams together to shape our approach and foster a shared vision throughout the organisation. By working together in this way, we're building the confidence and capability to develop customer journeys that truly put people first, helping us deliver on our Everyday Excellence ambitions.

Welcome to the Neighbourhood

A significant achievement in our Everyday Excellence journey this year has been the launch of our new Neighbourhood Approach, which has transformed how our teams operate. Now, seven dedicated Neighbourhoods and Communities areas are each led by a Neighbourhood Manager - a named, go-to contact for every aspect of customer experience with us. This model brings together Later Living and Supported Housing under one umbrella, replacing the old Property Manager and Tenancy Services Officer roles and making support more joined-up from end to end. This new way of working has modernised the customer journey, giving each neighbourhood a stronger, more coordinated presence and ensuring everyone receives a consistently high-quality experience.

New technology to help us serve customers better

This year, we also launched the first phase of iProperty Cloud (iPC), to further enhance how we manage customer information and deliver a more consistent and connected service. iPC isn't just a technological upgrade - it's our commitment to putting customers at the heart of everything we do. The system streamlines how we record, track and manage contacts and data, allowing us to recognise, listen to, and support every individual more effectively. For colleagues, it means intuitive tools and processes that empower them to deliver outstanding customer service. We are introducing iPC in phases. This phased rollout also allows us to thoroughly test the system, listen to feedback and make improvements along the way. The launch of iPC is a key enabler of our long-term success, strengthening our ability to deliver a seamless, personalised and high quality experience for every customer.

Customer Engagement

Customer engagement is central to how we shape services, support effective governance and deliver our 2030 ambitions. Customers are empowered to provide feedback, scrutinise performance and influence decision-making across the organisation. Customer voice is embedded within our governance structures and supported by a comprehensive Voice of the Customer programme, bringing together engagement activity, satisfaction surveys, sentiment analysis and customer-led insight. Local engagement activities and neighbourhood dashboards ensure customer insight informs day-to-day decision-making, investment planning and resource allocation. Our customer diversity groups, including LGBTQ+, Disability, and Future Voices, ensure that all customers have a voice.

Tenant Satisfaction Measures

Tenant Satisfaction Measures (TSMs) give us vital insight into how our customers experience our services and where we need to focus our efforts to improve. This year, 2,886 customers, including both renters and shared owners, took part. We've seen strong improvements in several measures for renters, with 'overall satisfaction,' 'listens and acts', 'kept informed' and 'treated fairly and with respect' all seeing positive progress. There has also been uplifts in the figures for 'repairs completed within timescale' (emergency and non-emergency), 'home is well maintained' and 'home is safe'. We recognise we are still on a journey of improvement and know we need to continue to focus our efforts further improve our service, particularly complaint handling and Shared Owner satisfaction. However, we're confident that the plans we have in place will continue our positive trajectory in all areas.

Customer Resolutions

Over the past year, we've made targeted improvements to the way complaints are handled day-to-day, with a strong focus on quality, communication and timeliness. These changes have played a key role in the improvements seen in our TSM performance. We've moved from simply resolving complaints to ensuring customers receive clear, thorough and well-reasoned responses. This approach has reduced repeat contact and strengthened customer trust in our decisions. Customers are now better informed about what resolution we are aiming for, how it will be delivered and realistic timescales for completion. Our aftercare approach has been improved so we remain in contact with customers once a resolution is agreed, ensuring actions are delivered as promised. We've improved response times through clearer ownership of actions, closer monitoring of outstanding cases and earlier intervention. We've embedded weekly meetings with service delivery teams to supporting quicker decision-making, faster resolutions and better alignment on priorities. We've also invested in training and internal communication to strengthen technical understanding, consistency and confidence.

We recognise we have more to do and remain focused on continuously improving our complaint handling, using customer feedback and insight to strengthen our processes and deliver better outcomes

Housing Ombudsman Update

When we get something wrong, we strive to put it right and learn from it. Over the course of the year, we received four Severe Maladministration's from the Housing Ombudsman Service. We have fully accepted the findings of the Housing Ombudsman, apologised to all customers affected in these cases and addressed all orders issued. We are continuing to focus on our customer experience and embed a programme of continuous improvement so we can be more consistent at being a great social landlord.

Investing in communities

We're passionate about helping customers to make the most of their opportunities and feel truly at home, and the work we do through our Better Days, Placemaking and Tenancy Sustainment teams supports this. This year, we brought these teams together into a brand-new Community Investment team, aligning resources and expertise, and making it easier for customers to find the help that matters most. This combined team is a key part of our new Neighbourhood Approach, helping us to improve customer experience by working closely with communities to connect them with the support they need.

Homes for all life stages

We want customers to love their home no matter what stage of life they are in. To support this, this year, we launched our new Later Living Housing Strategy, which sets out our plans to 2030 to meet the needs of the UK's ageing population with homes that support evolving health, mobility and lifestyle needs.

Later living scheme improvements

This year we completed comprehensive refurbishments in eight of our Later Living schemes. Designed in partnership with Orbit Homes' professional interior design team, the upgrades included new furniture, furnishings, artwork, bespoke joinery, luxury vinyl flooring and improved signage. Communal areas have been refreshed, including redesigned hobbies spaces and LED lighting to enhance energy efficiency.

Improving our repairs and maintenance services

Through our Everyday Excellence programme, we're transforming the way we deliver repairs to put customers centre stage and provide a truly efficient, 'right first time' experience. We've introduced a range of improvements to make our service more efficient and user-friendly, including; Streamlined processes for faster, 'right first time' repairs, Greater customer involvement in shaping services, Enhanced digital tools and communication for easier access and updates.

We're proud of the progress we've achieved so far but recognise there's still much more to be done to enhance our customers' overall experience and satisfaction with repairs. We also fully appreciate the crucial role our contractor partners play and are committed to working collaboratively with them to deliver consistently high standards for our customers. Our current contracts for repairs, maintenance and empty homes services are due to end in March 2027, so this year, we've engaged with contractor partners, stakeholders and customers to help shape the re-procurement of our repairs, maintenance and empty homes services. This process is ongoing, with contracts due to be in place for April 2027.

Awaab's Law

We fully embrace the importance of Awaab's Law and the essential protections it provides for customers. Throughout the year, we have prioritised ensuring our teams were fully prepared to meet the requirements of the law and equipped to deliver the best possible service for customers. Our focus has been not only on compliance, but on embedding a culture of proactive care and accountability, making sure colleagues have the knowledge, tools and confidence to take prompt action when issues arise.

Improving our geography

By concentrating the geographic areas where we work and build, and focusing on a smaller number of tenure types, we can be more consistent in our ability to be a great social landlord. This will enable us to help more customers and provide a better, more accessible service that is more responsive to local needs. Any surplus generated through this strategy is reinvested directly back into our homes and communities, helping us to maintain and improve the quality of our existing homes, enhance energy efficiency, and build and regenerate more affordable homes in the areas where they are needed most.

Making our homes more energy efficient

We remain firmly committed to helping our customers manage the cost of living by investing in the energy efficiency of our homes. By ensuring that 100% of our existing properties will achieve at least EPC band C by 2030, we aim to lower energy consumption and make bills more affordable for our residents. We are making strong progress towards this goal, with over 89.51% of our homes now rated EPC C or above. This translates directly into better energy savings and lower running costs for those living in our homes.

This year, we completed our Wave 2.1 SHDF funded project with Wates to improve energy efficiency, cut carbon emissions and enhance comfort in 347 homes across the Midlands. We're also working to make a further 700 homes across the Midlands and Bexley more energy efficient.

Maintaining and enhancing our estates

This year, we strengthened our approach to estate maintenance by expanding our in-house operations. By taking direct responsibility for grounds maintenance, we now have greater oversight, which means faster responses, enhanced service efficiency, and improved quality for our customers. Our proactive approach is also evident in our tree maintenance programme. We've completed and mapped over 13,000 communal trees, giving us a clear picture of their health and condition. This information allows us to create tailored care plans for each tree, supporting long-term safety and sustainability. We've also introduced a new approach to pest management, with a dedicated in-house team ready to handle all pest-related enquiries. In addition, we have secured a new fleet provider, and customers will soon see newly branded Orbit vehicles on the road.

Health and safety

Keeping our customers and colleagues safe is the single most important thing we do, and we work with various safety experts and organisations to ensure best practice across all areas of the organisation.

Operating sustainably

Taking action on climate change matters to us and to our customers. Over the past year, we've made meaningful progress towards the ambitious targets outlined in our Sustainability Strategy, the foundation of our 2030 vision.

Our Customers

We continue to deliver meaningful social value by building a deep understanding of our customers and tailoring services to support their wellbeing. Through diverse engagement channels and our new customer segmentation model, we gain richer insight into the needs of our communities, enabling more responsive and effective service design. This year, we strengthened our neighbourhood based approach by bringing our community investment, tenancy sustainment and placemaking teams together to provide holistic, wraparound support.

Our Planet

We recognise the accelerating impacts of climate change and the responsibility we hold as a housing provider to help secure a greener, more sustainable future. Our environmental sustainability programme, Orbit Earth, sets out a clear framework for how we will achieve this. It focuses on three core objectives:

- Climate action – taking meaningful steps to reduce emissions and achieve net zero carbon.
- Enhancing outdoor spaces – improving the quality of natural resources, including biodiversity, land, water and air, to support nature's recovery.
- Sustainable consumption – managing resources, materials and products responsibly to minimise environmental impact.

Climate action: our pathway to net zero

We remain firmly committed to becoming carbon neutral by 2030. To make this happen, we're following a science-led path to halve our direct and indirect greenhouse gas emissions by the end of the decade. Since we set our baseline in 2018, we've already made substantial progress, reducing the carbon footprint of our operations (Scopes 1 and 2) thanks to a focused programme of energy-saving initiatives.

Climate Risk Assessment

We commissioned Savills Sustainability to assess how climate change could affect our homes. The aim was to identify the most significant physical climate risks, understand which property types and locations are most vulnerable and quantify potential financial impacts. The assessment provided us with clear insight into potential financial and geographic risk hotspots, to help us plan for future climate change and the adaptations we may need to make to homes.

Supporting nature's recovery in our communities

Nature's recovery is at the heart of our vision for outdoor spaces, with a bold target: by 2030, 30% of our land will actively support wildlife and biodiversity. This ambition draws inspiration from The Wildlife Trusts' *30by30* campaign and echoes the aims of the UN Convention on Biological Diversity. By putting customers at the centre of our programme, we're creating vibrant green areas that not only nurture habitats for local wildlife, but also offer inviting places for people to relax, discover and play. Over the past year, we've taken purposeful steps to enhance habitats throughout our estates, delivering tangible environmental gains.

Biodiversity monitoring

In support of our 30by30 commitment we've introduced a new approach to monitoring and improving biodiversity across our estates. Replacing manual spreadsheet-based processes, a new Power BI Biodiversity dashboard brings together high-quality geographic and environmental data to provide a single, accurate and transparent view of biodiversity across more than 1.5 million m² of green space. The dashboard enhances accountability and supports informed decision-making by helping teams prioritise investment, track improvements and demonstrate progress against long-term environmental goals.

Working Towards Zero Waste

This year, we proudly launched our Zero Waste Approach - a clear roadmap for accelerating our journey towards a circular economy. Every step is designed to ensure resources are sourced, used and disposed of responsibly across our organisation. With determined action, we're rolling out targeted waste management initiatives that not only drive long-term reductions, but also help us leave a smaller, greener footprint on the world.

Value for Money

Ensuring Value for Money for our customers and our business is at the heart of our culture and enables us to meet our key strategic targets as set by the Group Board and create operating profits to build thriving communities. Our value for money statement is published within our Group Annual Report and Financial Statements.

Code of Governance

We have adopted the National Housing Federation's (NHF) 2020 Code of Governance as the Code of Governance for our Registered Providers. We comply with the Code of Governance in all material aspects and with the Regulator of Social Housing's Governance and Financial Viability Standard. We have developed our own probity and severance policy, which picks up the key principles of the NHF's Code of Conduct. In addition to this policy, we have our own code of conduct for board members.

Governance and Viability Standard

Orbit complies with the Governance and Viability Standard of the Regulator of Social Housing (RSH). Our governance rating is G1 and our financial viability rating is V2. Our V2 rating reflects our commitment to leverage our asset base to build new homes. Our G1 rating reflects our strong governance framework.

Subsequent events

In line with our Group densification strategy we are planning to dispose of around 2,200 properties to another registered provider in 2026/27 of which some 1,400 properties are Orbit Housing Association Limited properties.

Going concern

After making enquiries, the Board has a reasonable expectation the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in the financial statements. Please see page 17 for more information on going concern.

Risk management

Our overall approach to risk management is based on good practice and our internal control environment is continually reviewed and monitored by the Orbit Audit and Risk Assurance Committee on behalf of the Board. Risk Management is a fundamental element of our Internal Control Environment and Assurance strategy, which feeds into our annual statement of internal controls.

On behalf of the Board of Orbit Housing Association Limited

Stephen A. Jack

Stephen Jack
Chair

7 August 2026

Statement of Internal control

The Statement of Internal Control provides an opinion to internal and external stakeholders on how effectively we govern our business so as to manage the key risks to the successful delivery of the business and financial plan. The full Group Statement of Internal Control is set out in the Group Annual Report.

Sources of assurance

A key element of providing this opinion is based upon our internal control environment (ICE) framework, which combines assurance from a number of sources on a regular basis. These feed into the annual statement of internal controls.

Our three lines of assurance activities focus on the following areas:

- The Board competency and skills framework
- The Board operates this framework in accordance with the National Housing Federation (NHF) Code of Governance 2020
- Self-assessment against the Consumer Standards (February 2026).
- Self-assessment against the Economic Standards (February 2026).
- Self-Assessment against the NHF Code of Governance 2020
- Delivery of the annual Internal Audit plan (in house team supported by external experts)
- Risk management, governance and control effectiveness
- Compliance with laws, regulations, policies and procedures
- Procurement and contract management
- Health and safety management
- Data integrity, cyber security and business continuity
- Customer feedback/learning
- People management
- Performance management
- Financial management
- Chief Executive Officer annual control sign off following assurances from Executive Directors.

Based on the risk and assurance work undertaken in 2025/26, the overall opinion is that Orbit's internal control (financial and non-financial) environment, supported by risk management and governance arrangements, operate with sufficient effectiveness to provide reasonable assurance to Executive Team, the Audit and Risk Assurance Committee and Common Board subject to project transformation methodology as set out in the Areas of Focus for 2026/27 (item 3 below).

Areas of Focus

Last year the assurance programme delivery indicated three areas where improvement plans were put in place to strengthen controls; procurement and contract management, repairs, stock condition. Progress on these areas is covered in more detail in the Group Annual Report.
There are 3 further areas to improve within Orbit during 2026/27:
1.Continue to implement a data management strategy and data governance framework. Although assurance has been provided over the accuracy of data, there is a recognition that new systems need to be implemented to make data management more efficient and reduce the risks associated with manual interventions.
2.Continue to make improvements in managing customer complaints. It was pleasing to note that there was a positive internal audit report providing assurance over the controls in place to ensure compliance with the Housing Ombudsman Complaints Handling Code.
3.During the year, it was identified that Orbit's project transformation methodology needed improvement, to address both the design and operational effectiveness of key controls. A remediation plan is in place to strengthen the control environment.

Post year end note

Orbit received a Tier 1 Paragraph 49 request from the Social Housing Ombudsman during the year. This is an early-stage engagement issued where there is evidence from complaint casework suggesting a need to improve a landlord's complaint services. In response, we have established a cross-functional programme with clear executive oversight and independent assurance to undertake detailed case reviews, identify root causes, and develop a comprehensive, time-bound improvement plan.

Statement of Board's responsibilities in respect of the Board's report and the financial statements

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

The financial statements are required by law to give a true and fair view of the state of affairs of the association and of the income and expenditure of the association for that period.

In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is 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, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this statement confirm, so far as they are each aware, there is no relevant audit information of which our independent auditors are unaware; and each Director has taken all the steps they ought to have taken as a Director to make them aware of any relevant audit information and to establish that our independent auditors are aware of that information.

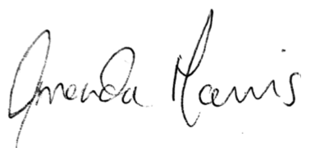
Registered office

Garden Court, Binley Business Park, Harry Weston Road, Binley, Coventry, CV3 2SU.

Independent auditor

KPMG LLP was appointed as the external auditor for the year ended 31 March 2026. A resolution to re- appoint the Group's auditor will be proposed at the Annual General Meeting.

The report of the Board was approved on 7 August 2026 and signed on its behalf by:



Amanda Harris
Secretary

Independent auditor's report to the members of Orbit Housing Association Limited

Opinion

We have audited the financial statements Orbit Housing Association Limited ("the Association") for the year ended 31st March 2026 which comprise the Association's Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves and related notes, including the accounting policies in note.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* of the state of affairs of the Association as at 31st March 2026 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under and are independent of the Association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the Association or to cease its operations, and as they have concluded that the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the Association's business model and analysed how those risks might affect the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, directors and internal audit as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, Audit and Risk Assurance committee and remuneration committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as provision for impairment and pension assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition due to the limited opportunity for management to manipulate revenue transactions.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to unusual cash, borrowings, and revenue combinations.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Association's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Association is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society legislation), distributable profits legislation, taxation legislation, pensions legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Association is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: GDPR, Health and Safety Legislation and Employment and Social Security Legislation, recognising the regulated nature of the Association's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non1compliance or fraud and cannot be expected to detect non- compliance with all laws and regulations.

Other information

The Association's Board is responsible for the other information, which comprises the Board's Annual Report. 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 conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 10, the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; 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; assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance,but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

This report is made solely to the Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association, for our audit work, for this report, or for the opinions we have formed.

Harry Mears (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor and Chartered Accountants
Suite 6, New Kings Court
Tollgate, Chandler's Ford
Eastleigh
SO53 3LG

10 August 2026

Orbit Housing Association Limited

Statement of Comprehensive Income for the year ending 31 March 2026

	Note	2026 £m	2025 £m
Turnover	**2**	**289.3**	276.7
Operating costs	**2**	**(217.4)**	(216.5)
Surplus on sale of housing properties	**7**	**5.4**	21.7
Change in value of investment properties	**15**	**0.3**	(2.1)
Operating surplus	**5**	**77.6**	79.8
Interest receivable	**8**	**0.1**	0.2
Interest payable	**9**	**(60.2)**	(58.0)
Other financing costs	**9**	**(0.2)**	(0.1)
Surplus before taxation		**17.3**	21.9
Taxation	**10**	**-**	-
Surplus for the year		**17.3**	21.9
Actuarial gain in respect of pension schemes	**32**	-	-
Distribution of Voluntary Right to Buy reserve to development partners		**-**	(1.0)
Total comprehensive income		**17.3**	20.9

All amounts derive from continuing operations.

The accompanying notes form part of these financial statements.

The financial statements on pages 14 to 42 were approved by the Board and signed on its behalf by:

Stephen Jack
Chair

Stephen Smith
Board Member

Amanda Harris
Secretary

7 August 2026

Orbit Housing Association Limited
Statement of Changes in Reserves for the year ending 31 March 2026

	Income & Expenditure Reserve £m	Total Reserves £m
Balance as at 1 April 2024	**484.1**	**484.1**
Surplus for the year	21.9	21.9
Distribution of Voluntary Right to Buy reserves to development partners	(1.0)	(1.0)
Balance at 31 March 2025	**505.0**	**505.0**
Balance as at 1 April 2025	**505.0**	**505.0**
Surplus for the year	17.3	17.3
Actuarial gain on pension liability	-	-
Balance at 31 March 2026	**522.3**	**522.3**

The accompanying notes form part of these financial statements.

Orbit Housing Association Limited
Statement of Financial Position as at 31 March 2026

	Note	2026 £m	2025 £m
Fixed assets			
Tangible fixed assets	**11 & 12**	**2,889.7**	2,708.1
Fixed asset investments	**13**	**2.4**	2.7
Intangible assets	**14**	**3.1**	3.8
Investment properties	**15**	**43.4**	42.6
		2,938.6	2,757.2
Current assets			
Properties for sale and stocks	**16**	**1.6**	1.8
Trade and other debtors (£2.3m (£2.1m 2025) >1 year)	**17**	**59.5**	37.6
Cash at bank and in hand		**0.3**	0.5
		61.4	39.9
Less: creditors: amounts falling due within one year	**18**	**(201.0)**	(144.4)
Net current liabilities		**(139.6)**	(104.5)
Total assets less current liabilities		**2,799.0**	2,652.7
Creditors: amounts falling due after more than one year	**19**	**(2,276.7)**	(2,147.7)
Provisions for liabilities			
Pension liabilities	**32**	**-**	-
Total net assets		**522.3**	505.0
Reserves			
Income & expenditure reserve		**522.3**	505.0
Total reserves		**522.3**	505.0

The financial statements on pages 14 to 42 were approved by the Board and signed on its behalf by:

Stephen Jack
Chair

Stephen Smith
Board Member

Amanda Harris
Secretary

7 August 2026

1. Principal accounting policies

Legal status

Orbit Housing Association Limited is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a not-for-profit Registered Provider of social housing as defined by the Housing and Regeneration Act 2008. The parent body from the beginning of the year was Orbit Group Limited.

Basis of accounting

The financial statements have been prepared on a going concern basis, under the historical cost basis of accounting in accordance with the Housing SORP 2018, Statement of Recommended Practice for Registered Social Housing Providers, and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. As a public benefit entity Orbit Housing Association Limited has applied all paragraphs of FRS102 which relate to public benefit entities in preparing the financial statements. The principal accounting policies, which have been consistently applied unless otherwise stated throughout the year, are set out below.

Going concern

The Board of Orbit Housing Association Limited, after reviewing the Association budgets for 2026/27 and the Group's medium term financial position as detailed in the 30-year business plan, taking account of severe but plausible downsides, such as an economic downturn, political pressures or a perfect storm, is of the opinion that the Association has adequate resources to continue in business for the foreseeable future. Orbit Housing Association forms part of a borrowing group that also includes Orbit Group Limited. Both entities have access to group funding managed by Orbit Treasury Limited, with borrowing obligations shared jointly across the two housing associations. The Board therefore continues to adopt the going concern basis in preparing the annual financial statements.

Significant Management Judgements

In the process of applying the Association's accounting policies, management has made certain judgements that have a significant impact on the financial statements. These are detailed below:

Pension liabilities

In determining the valuation of the pension schemes assets and liabilities a number of assumptions are made around factors that are uncertain. These include life expectancy, inflation rate, discount rates and salary and pension inflation rates. The Association is exposed to risk if the actuarial assumptions differ from actual experience and through volatility in the plan assets. More detail is disclosed in note 32.

This year's FRS102 report for our Kent Local Government Pension Scheme (LGPS) has again indicated there is a funded surplus. Management has not recognised this surplus (by means of implementing an asset ceiling) since we do not believe that it is recoverable.

Impairment

Reviews for impairment of housing properties are carried out annually and any impairment in an income generating unit is recognised by a change to the statement of comprehensive income. Impairment is recognised where the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use.

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any impairment losses are charged to operating surplus.

Impairment reviews are carried out in accordance with Section 14.6 of the statement of recommended practice (SORP), with consideration of the following indicators of impairment:

-Development issues
-Change in legislation
-Proportion of properties vacant
-Schemes being re-developed/demolished
-Loss made on property sales
-Average void time

Provision for health and safety and fire safety works

We have a large portfolio of properties and the Group is committed to ensuring continued compliance with health and safety and fire safety standards, including recent legislation and updated regulation. The Group provides for the cost of work related to meeting these standards where a legal or constructive obligation exists and the estimates of such costs can be reliably quantified. The Group does not provide for health and safety or fire safety works which are considered part of the ordinary course of business and form part of our ongoing maintenance programme.

Where there is a legal or constructive obligation to remediate known building defects in specific buildings a provision is calculated using a best estimates derived from detailed cost breakdowns. These cost assessments are regularly reviewed to ensure any provision remains appropriate.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of asset, liabilities, income and expenditure is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimates of the useful lives of depreciated assets at each reporting date based on its expected utility of assets including any components. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment, and changes to Decent Homes Standards which may require more frequent replacement of key components.

Grant amortisation

Grant received for the development of social housing, predominantly Social Housing Grant which is receivable from Homes England, is recognised in the statement of comprehensive income through amortisation over the weighted average estimated useful life of the property’s structure and components.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (when active market quotes are not available) and non-financial assets including investment properties. This involves developing estimates and assumptions consistent with how market participants would price the instruments or assets, Management bases its assumption on observational data as far as possible, but this is not always available, in this case management uses the best information available. Estimated fair values may vary from actual prices.

Valuation of investment properties

Our market rented properties, Fordham House in Stratford-Upon-Avon and properties at St Anne’s Quarter in Norwich are disclosed as investment properties and valued annually by external valuers more detail is provided in note 15.

Arrears

Judgement is made around the recoverability of debt and a provision is made based on the age and type of debt, Former arrears are provided in full. Current arrears are provided for based on age.

Complex contract cost estimation

Estimation of amounts due to third parties under complex contractual arrangements may be required. Management uses the best information available at the time including assessing whether performance obligations have been met and an estimate of the associated contractual costs. Management may engage experts to support these assessments where amounts involved are significant and contracts are complex to determine liabilities requiring recognition in the financial statements.

Group services

The Association has taken advantage of the exemptions available in FRS 102 and has not disclosed transactions with the parent undertaking, Orbit Group Limited as consolidated financial statements are available from the Registered Office.

A range of services are provided to the Association by the parent body Orbit Group Limited, as set out in the intra-group agreement between the two Associations.

With the exception of costs capitalised as development costs, all costs incurred through this agreement are written off to the statement of comprehensive income account in the year in which they are incurred.

Turnover

Turnover represents rental and service charge income receivable, grants from local authorities and Homes England, income from shared ownership first tranche sales, income from properties developed for sale, grant amortisation and other income, all of which arise in the UK.

Properties for sale

Properties developed for outright sale are included in turnover, cost of sales and operating costs. Properties developed for shared ownership sale are divided into first tranche sales and other sales. First tranche sales are included in turnover, cost of sales and operating costs. Subsequent tranches are not included in turnover and cost of sales but are shown as a separate item after the operating surplus in the statement of comprehensive income. All other sales of fixed asset properties are dealt with in this latter way.

Properties developed for outright sale and shared ownership first tranche proportions are included in current assets as they are intended to be sold. Shared ownership subsequent tranche proportions are included in fixed assets.

Provision has been made in cost of sales at the time of sale for shared ownership properties sold under the new leases for estimated future maintenance costs. This is in accordance with landlord obligations set out in these new leases. Provision has been made where an obligation exists, settlement is probable and the amount can be reasonably estimated.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of Value Added Tax and customer discounts and incentives.

Operating costs

Direct employee, administration and operating costs are apportioned to either the statement of comprehensive income or capital schemes on the basis of costs of staff and the extent to which they are directly engaged in the operations concerned.

Housing properties

Housing properties are stated at cost, less accumulated depreciation and impairment provision. Depreciation is charged by component on a straight-line basis over the following expected economic useful lives:

Housing property components	Depreciation life
Kitchens	20 years
Bathrooms	30 years
Windows, doors & door entry systems	10 to 30 years
Boilers	15 years
PV panels	25 years
Roof	30 to 60 years
External wall insulation	36 years
Rewiring	30 years
Lifts	20 years
Structure	100 years

Freehold land is not depreciated. Attributable overheads and profit are included in cost of components.

The useful economic lives of all tangible fixed assets are reviewed annually.

Housing properties in the course of construction are stated at cost and not depreciated and are transferred to completed properties when the scheme is completed. When housing properties are to be transferred to another association, the net costs, after Social Housing Grant are dealt with in current assets.

Shared ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset, and related sales proceeds are included in turnover. The remaining element is classed as a fixed asset, and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Completed properties for outright sale and work in progress are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and attributable overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Works to existing housing properties

Expenditure on housing properties which increases the net rental stream over the life of the property is capitalised. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance costs, or a significant extension of the life of the property. All other costs are classified as maintenance and are charged to the statement of comprehensive income in the year in which the work is undertaken. A depreciation estimate is made for new properties coming into management through phased handovers while the overall development remains under construction.

Social housing and other grants (SHG)

Social Housing Grant is receivable from Homes England. This is recognised within income through the amortisation of the grant over the useful economic life of the asset as are any other grants received for the development of social housing. Grant is amortised even if there are no related depreciation charges. Social Housing Grant due from Homes England or received in advance is included as a current asset or liability within the statement of financial position.

Social Housing Grant can be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes England. However, Social Housing Grant may have to be repaid if certain conditions are not met and, in that event, is a subordinated unsecured repayable debt. The net Social Housing Grant received and not spent is included in current liabilities, taking into account all properties under construction. Where SHG is recycled the SHG is credited to a fund that appears as a creditor.

Financial assistance and other government grant receivable under section 19 of the Act or section 333 ZE of the Greater London Authority Act 1999

The total accumulated amount of financial assistance and other government grant received or receivable at the date of the statement of financial position, based upon properties owned at that date. These are disclosed in note 20 of the accounts which shows the extent to which amounts have been recognised in the statement of comprehensive income or are held as deferred income.

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised at the group weighted average cost of capital. Administration costs relating to development activities are capitalised only to the extent they are incremental to the development process and directly attributable to bringing the property into its intended use.

Other fixed assets

Other fixed assets are stated at cost, less accumulated depreciation and impairment provision. Depreciation is charged on a straight-line basis at the following rates:

Freehold offices and commercial premises	2% - 4%
Leasehold offices	Over the life of the lease
Motor vehicles	25%
Computer equipment	17% - 33%
Fixtures, fittings and other equipment	15% - 25%

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is charged on a straight-line basis of 2–10 years over the expected economic useful life of the asset.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership, they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the statement of comprehensive income account using the annuity method. Rentals paid under operating leases are charged to the statement of comprehensive income account as and when incurred.

Pension costs

Orbit Housing Association Limited participated in one defined benefit local government pension scheme (LGPS) operated by Kent County Council. The assets of the Kent scheme are held separately from those of the Association in an independently administered fund. The requirements of FRS 102 are fully reflected in the financial statements and associated notes. Note 32 provides a summary of the pension valuation report.

For defined benefit schemes the amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of comprehensive income account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of comprehensive income. The difference between the fair value of the assets held in the defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Operating Association's statement of financial position as a pension scheme liability. Changes in the defined benefit pension scheme liability arising from factors other than cash contribution by the Association are charged to the statement of comprehensive income account.

Pension costs (continued)

Orbit Housing Association Limited signed a deferred debt agreement with the Scheme Trustees in 2022. The agreement will terminate in 2032.

Given the legislative solution provided by the Pension Schemes Act 2026, the Directors now do not expect the Virgin Media ruling to give rise to any additional liabilities for the Kent LGPS.

Disposals of housing properties

Proceeds from sales are shown net of discounts given under the provisions of the Right to Buy and the Right to Acquire. The cost of properties sold is written off to the statement of comprehensive income and an adjustment is made to write back depreciation charged in prior years.

Value added tax

Orbit Housing Association Limited is party to a Group registration for VAT. All amounts disclosed in the financial statements are inclusive of VAT as appropriate where it is not recoverable.

Taxation

The Association has adopted charitable rules. Liability to tax is therefore restricted to trading income (such as photo voltaic panel revenue).

Loan finance issue costs and loan interest costs

Loan finance issue costs are written off over the life of the related loan. Loans are stated in the statement of financial position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts written off.

The full costs of deferred interest rate and indexation loans are shown in the statement of comprehensive income.

Property managed by agents

Where an Association carries the majority of the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the statement of comprehensive income. Where the agency carries the majority of the financial risk, the statement of comprehensive income includes only that income and expenditure which relates solely to the risk carried by the Association. In both cases, where revenue grants are claimed by the Association, these are included in the statement of comprehensive income

Investments

These are carried at the lower of cost and net realisable value.

Supporting people income and costs

Supporting people charges are levied as a separate charge and not as part of rent. The income and related costs are therefore shown within other social housing activities.

Service charge sinking funds

Service charge sinking funds are dealt with as creditors.

Liquid resources

Liquid resources comprise bank deposits that are readily convertible into cash and loans to fund the purchase of housing properties.

Stock and work in progress

Stock and work in progress are stated at the lower of cost and net realisable value. Cost includes land, build costs, applicable overheads and interest. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate. Interest on borrowings incurred during the development period is capitalised.

Deferred income

Revenue received for a specific activity which is to be delivered in the following financial year and rent income receivable for the following year is deferred and shown as deferred income.

Accrued Income

Where goods or services are provided but not yet invoiced, that income is accrued for and shown as accrued income.

Provisions

The Group recognises provisions and liabilities of uncertain timing or amounts. Provisions are made for specific and quantifiable liabilities, where the amounts can be reliably estimated, where there is a legal or constructive obligation that existed at the year end date and where it is probable that we will be required to settle this liability.

Statement of Cash Flows

The Association has taken advantage of the exemptions available in FRS102 in preparing these financial statements, and has not prepared, per the requirements of Section 7, a Statement of Cash Flows. This information is included in the consolidated financial statements of Orbit Group Limited as at 31 March 2026 as published on the Orbit website www.orbit.org.uk.

2. Turnover, cost of sales, operating costs and operating surplus by class of business

2026	Turnover £m	Operating costs £m	Other Operating items £m	Operating surplus/ (deficit) £m
Social housing lettings (Note 3)	**273.5**	**(197.0)**	**-**	**76.5**
Other social housing activities:				
Other	10.6	(18.4)	-	(7.8)
Total	**284.1**	**(215.4)**	-	**68.7**
Surplus on sale of housing properties (Note 7)	-	-	5.4	5.4
Total social housing activities	**284.1**	**(215.4)**	**5.4**	**74.1**
Activities other than social housing	5.2	(2.0)	-	3.2
Change in value of investment properties (note 15)	-	-	0.3	0.3
Total	**289.3**	**(217.4)**	**5.7**	**77.6**

2025	Turnover £m	Operating costs £m	Other Operating items £m	Operating surplus/ (deficit) £m
Social housing lettings (Note 3)	**263.5**	**(197.3)**	**-**	**66.2**
Other social housing activities				
Other	8.2	(15.5)	-	(7.3)
Total	**271.7**	**(212.8)**	**-**	**58.9**
Surplus on sale of housing properties (Note 7)	-	-	21.7	21.7
Total social housing activities	**271.7**	**(212.8)**	**21.7**	**80.6**
Activities other than social housing	5.0	(3.7)	-	1.3
Change in value of investment properties (note 15)	-	-	(2.1)	(2.1)
Total	**276.7**	**(216.5)**	**19.6**	**79.8**

3. Income and expenditure from social housing lettings

	General needs housing £m	Supported housing & housing for older people £m	2026 £m	2025 £m
Income				
Rent receivable net of service charges & voids	217.0	19.9	**236.9**	227.7
Service charge income	12.4	11.2	**23.6**	23.0
Amortisation of social housing and other capital grant	10.7	1.8	**12.5**	12.1
Other grants	0.4	0.1	**0.5**	0.7
Turnover from social housing lettings	**240.5**	**33.0**	**273.5**	263.5
Operating expenditure				
Management	(29.8)	(4.0)	**(33.8)**	(34.3)
Service charge costs	(17.7)	(13.2)	**(30.9)**	(27.1)
Routine maintenance	(48.2)	(7.6)	**(55.8)**	(62.5)
Planned maintenance	(16.4)	(6.8)	**(23.2)**	(25.0)
Bad debts	(0.9)	(0.1)	**(1.0)**	(0.9)
Depreciation and impairment of housing properties	(46.1)	(6.2)	**(52.3)**	(47.5)
Operating expenditure on social housing lettings	**(159.1)**	**(37.9)**	**(197.0)**	(197.3)
Operating surplus on social housing lettings	81.4	(4.9)	**76.5**	66.2
Void losses	(2.7)	(1.2)	**(3.9)**	(4.2)

4. Staff costs

Members of staff and directors that work for Orbit Housing Association Limited are contractually employed by the parent undertaking Orbit Group Limited. Their emoluments are disclosed in the financial statements of that undertaking.

5. Operating surplus

	2026 £m	2025 £m
Operating surplus is arrived at after charging/(crediting)		
Housing properties:		
Depreciation charge	**52.5**	47.7
Amortisation of social housing grant	**(12.5)**	(12.1)
Impairment charge	**-**	-
Intangible assets:		
Depreciation charge	**1.1**	0.7
Operating lease rentals:		
Land and buildings	**0.3**	0.2
Office equipment and vehicles	**0.2**	0.2
White goods	**0.2**	0.2
Auditor's remuneration (excluding VAT)		
Fees payable to the Association's auditor for the audit of the financial statements	**0.2**	0.2
Total audit services	**0.2**	0.2

6. Board member emoluments

The Directors of the Association are its board members and the Group Chief Executive. Certain board members are tenants/leaseholders of the Association. Their tenancies/leases are on normal commercial terms and the members cannot use their position to their advantage. The Executive Director is employed by the parent undertaking, Orbit Group Limited.

Following the establishment of the Common Board on 1 April 2025, the emoluments of both Executive and Non-Executive Directors are borne by and disclosed within the financial statements of Orbit Group Limited. Comparative figures represent costs incurred under the prior governance arrangements.

Aggregate emoluments paid to or received by Directors who are not executive staff members including salaries, expenses paid, honoraria, other benefits and employer's national insurance contributions:

	2026 £000	2025 £000
D Butler (resigned 31 March 2025)	**-**	9
J Boomhauer (resigned 23 January 2025)	**-**	5
T Mihill (resigned 31 March 2025)	**-**	6
J Brennan (resigned 31 March 2025)	**-**	6
D Glover (resigned 31 March 2025)	**-**	6
M Dillon (resigned 31 March 2025)	**-**	6
G Stenson (resigned 31 March 2025)	**-**	7
M Turner (resigned 31 March 2025)	**-**	6
Total	**-**	51

Expenses paid during the year on behalf of board members amounted to £Nil (2025: £3,000).

7. Surplus on sale of fixed assets- housing properties

	Letting £m	Shared Equity £m	2026 Total £m	2025 Total £m
Disposal proceeds	10.7	-	**10.7**	39.1
Cost of disposals	(6.7)	-	**(6.7)**	(23.7)
	4.0	-	**4.0**	15.4
Capital grant recycled	2.3	-	**2.3**	1.0
Right to Buy clawback	(0.9)	-	**(0.9)**	(0.8)
Grant abated	-	-	**-**	6.1
Surplus on disposal	5.4	-	**5.4**	21.7

8. Interest receivable and other income

	2026 £m	2025 £m
Interest receivable and similar income	**0.1**	0.2

9. Interest payable

	2026 £m	2025 £m
Loans and bank overdrafts	**65.7**	63.2
Interest payable capitalised on housing properties under construction	**(5.1)**	(4.8)
Loan premium write-off	**(0.4)**	(0.4)
	60.2	58.0
Other financing costs:		
Defined benefit pension charge	**-**	-
Loan arrangement fees	**0.2**	0.1
	0.2	0.1

Interest is capitalised at the Group weighted average cost of capital 3.73% for 2026 and 3.91% for 2025.

10. Tax on surplus on ordinary activities

The Association was accepted as a charity for tax purposes by HMRC with effect from 1 April 2008. Liability to tax is therefore restricted to tax on trading income (such as photo voltaic panel revenue).

During the year the Association paid tax of £nil on trading income and expects to pay £nil for the current year. The Board is not aware of any circumstances which will affect the future taxation status of the Association.

11. Housing properties

	Properties held for letting			Properties under construction	
	Social housing lettings	Low-cost home ownership	Non-social housing lettings	Social housing lettings	**Total**
	£m	£m	£m	£m	**£m**
Cost					
At 1 April 2025	2,978.2	5.3	3.1	193.4	3,180.0
Additions	86.5	-	-	150.4	236.9
Capitalised interest	-	-	-	5.1	5.1
Reclassifications	4.1	-	-	(4.1)	-
Schemes completed during the year	81.0	-	-	(81.0)	-
Transfer to other Group members	(5.4)	-	-	-	(5.4)
Transfer to investment properties	(0.3)	-	-	-	(0.3)
Disposals	(11.9)	-	-	-	(11.9)
At 31 March 2026	**3,132.2**	**5.3**	**3.1**	**263.8**	**3,404.4**
Depreciation					
At 1 April 2025	(471.8)	(0.4)	(0.4)	-	(472.6)
Charge for the year	(49.9)	(0.1)	-	-	(50.0)
Eliminated on disposal	6.8	-	-	-	6.8
At 31 March 2026	**(514.9)**	**(0.5)**	**(0.4)**	**-**	**(515.8)**
Impairment					
At 1 April 2025	(1.0)	-	-	-	(1.0)
Charge for the year	-	-	-	-	-
At 31 March 2026	**(1.0)**	**-**	**-**	**-**	**(1.0)**
Net book cost:					
At 31 March 2026	**2,616.3**	**4.8**	**2.7**	**263.8**	**2,887.6**
At 31 March 2025	2,505.4	4.9	2.7	193.4	2,706.4

Additions to properties during the year include project management fees of £3.3 million (2025: £3.3 million).

Net book value of housing and other properties comprises:

	2026	**2025**
	£m	**£m**
Freehold and long leasehold land and buildings	**2,887.6**	2,706.4
Other freehold/leasehold/commercial properties	**1.7**	1.7
	2,889.3	2,708.1

12. Other fixed assets

	Freehold offices £m	Leasehold offices £m	Commercial premises £m	Furniture, fixtures & Equipment £m	Total £m
Cost					
At 1 April 2025	0.3	3.2	0.6	4.5	8.6
Additions	-	-	-	0.4	0.4
Disposals	-	-	-	-	-
Reclassification	-	-	1.1	(1.1)	-
At 31 March 2026	**0.3**	**3.2**	**1.7**	**3.8**	**9.0**
Less:					
Accumulated depreciation					
At 1 April 2025	(0.3)	(2.1)	(0.4)	(3.4)	(6.2)
Charge for year	-	-	-	-	-
At 31 March 2026	**(0.3)**	**(2.1)**	**(0.4)**	**(3.4)**	**(6.2)**
Less:					
Provisions for impairment					
At 1 April 2025	-	(0.7)	-	-	(0.7)
Release of provision	-	-	-	-	-
At 31 March 2026	**-**	**(0.7)**	**-**	**-**	**(0.7)**
Net book amount					
At 31 March 2026	**-**	**0.4**	**1.3**	**0.4**	**2.1**
At 31 March 2025	-	0.4	0.2	1.1	1.7

13. Fixed asset investments

	2026 £m	2025 £m
Monies deposited for Affordable Housing Finance Plc	**2.4**	2.7
	2.4	2.7

In July 2016, Orbit South Housing Association Limited and Heart of England Housing Association both raised £25 million fixed rate bonds and in December 2016 a further two £25 million fixed rate EIB loans with Affordable Housing Finance Plc (AHF) via The Housing Finance Corporation, a total of £100 million.

It is a condition of the funding that the borrower (now Orbit Housing Association Ltd) shall enter into a Liquidity Reserve Fund Trust deed with the Liquidity Fund Trustee (AHF). An amount equal to twelve months interest be held with AHF in a Liquidity Reserve Fund, which in this case amounts to £2,341,250 and also interest due on this balance of £29,906. The AHF Bond is secured by a first fixed charge on properties.

14. Intangible assets

	2026 £m	2025 £m
Cost		
At 1 April 2025	4.5	1.7
Additions	0.4	2.8
Transfer from other Group members	0.3	-
Disposals	(0.3)	-
At 31 March 2026	4.9	4.5
Amortisation		
As 1 April 2025	(0.7)	-
Charge for the year	(1.1)	(0.7)
At 31 March 2026	(1.8)	(0.7)
Net book amount at 31 March	3.1	3.8

15. Investment properties non-social housing properties held for letting

	2026 £m	2025 £m
At 1 April 2025	**42.6**	44.7
Reclassification from Housing properties	**0.3**	-
Transfers from other group members	**0.2**	-
Revaluation gain / (loss)	**0.3**	(2.1)
At 31 March 2026	**43.4**	42.6

The Group has investment properties at Fordham House in Stratford-upon-Avon and at St Anne's Quarter in Norwich.

Valuations of both portfolios were undertaken at the year end by independent professional valuers. The full valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Global standards effective 31 January 2026 and is compliant with the requirements of FRS 102. The assets have been valued using the comparable methods of valuation. The market for the properties were investigated; sales evidence was collated and adjusted to take account of the situation, layout and specification of the properties. The valuers have used a nominal equivalent yield of 5.50% for Fordham House.

16. Properties for sale

	2026 £m	2025 £m
Housing properties converted and under construction for sale	**1.6**	1.8
	1.6	1.8

17. Debtors

	2026 £m	2025 £m
Due within one year:		
Rental debtors	**4.7**	3.7
Less: provision for doubtful debts	**(2.3)**	(2.0)
	2.4	1.7
Service charges due from Leaseholders	**0.4**	0.3
Amounts due from Group undertakings	**40.3**	25.1
Prepayments and accrued income	**6.8**	3.8
Other debtors	**7.3**	4.7
Provision for bad debts	**-**	(0.1)
	57.2	35.5
Due after more than one year:		
Other debtors	**2.3**	2.1
	2.3	2.1
Total	**59.5**	37.6

18. Creditors: amounts falling due within one year

	2026 £m	2025 £m
Housing loans inter-company (Note 23)	**49.1**	18.4
Amounts due to Group undertakings	**69.5**	48.9
Trade Creditors	**2.5**	1.5
Other creditors including taxation and social security	**16.5**	6.8
Accruals and deferred income	**41.3**	49.2
Rents received in advance	**8.3**	7.3
Recycled Capital Grant Fund (Note 22)	**0.3**	0.2
Deferred capital grant (Note 20)	**13.5**	12.1
Total	**201.0**	144.4

Within amounts due to group undertakings shown above there is an inter-company creditor with Orbit Group Limited (OGL) of £35.4 million which is repayable on demand (2025: £17.0 million). Since Orbit Housing Association Limited is in a net current liability position the Directors of OGL have confirmed their intention that payment will not be requested within 12 months if insufficient funds are available.

19. Creditors: amounts falling due after more than one year

	2026 £m	2025 £m
Housing loans (Note 23)	**99.3**	99.3
Housing loans inter-company (Note 23)	**1,492.3**	1,399.0
Deferred capital grant (Note 20)	**661.4**	627.5
Deferred income for renewals and maintenance contributions	**13.5**	12.5
Other creditors	**2.2**	2.1
Recycled Capital Grant Fund (Note 22)	**2.0**	0.9
Loan premium Affordable Housing Finance Plc	**6.0**	6.4
Total	**2,276.7**	2,147.7

Housing loans shown above are net of £0.7m (2025: £0.7m) loan arrangement fees carried forward.

20. Deferred capital grant

	2026 £m	2025 £m
At 1 April 2025	**639.6**	633.3
Grant received and utilised in the year	**47.7**	23.3
Released to income in the year	**(12.5)**	(12.1)
Elimination of amortisation on disposal	**0.6**	2.4
Transfer to RCGF	**(2.3)**	(1.0)
Grant abated on disposal	**-**	(6.1)
Transfer from / (to) other Group members	**1.8**	(0.2)
At 31 March 2026	**674.9**	639.6

Analysed as:	2026 £m	2025 £m
Amounts to be released within one year	**13.5**	12.1
Amounts to be released in more than one year	**661.4**	627.5
	674.9	639.6

21. Provisions for liabilities

There were no provisions recognised in the current or prior year.

22. Recycled capital grant funds

	Total £m
At 1 April 2025	1.1
Grants recycled	2.3
Interest accrued	0.1
Utilised in the year	-
Repayment of grant	(0.1)
Transfer to other Group members	(1.1)
At 31 March 2026	**2.3**

Amount due for repayment to Homes England & Greater London Authority

	2026 £m	2025 £m
Within one year	**0.3**	0.2
After more than one year	**2.0**	0.9
At 31 March 2026	**2.3**	1.1

The amount utilised in the year related to new developments and purchase of housing assets.

23. Housing loans

	2026 £m	2025 £m
Due within one year		
Orbit Treasury Limited	**49.1**	18.4
Due after more than one year		
Orbit Treasury Limited	**658.6**	565.3
Orbit Capital Plc	**833.7**	833.7
Affordable Housing Finance Plc	**100.0**	100.0
	1,592.3	1,499.0
Total	**1,641.4**	1,517.4

Note (a)

All loans are in sterling. From 28 September 2007 non-bond finance in the Group is routed through a separate treasury vehicle and fellow subsidiary of Orbit Group, Orbit Treasury Limited (OTL). All registered providers in the Group have entered into a fully cross-collateralised structure. OTL borrows money on behalf of the Group and on-lends these to the individual operating Associations as required. The Associations, as part of this arrangement, also agree to cover all costs associated with the funding including any associated hedging arrangements such as interest rate swaps. The benefits of setting up the treasury vehicle include streamlined and efficient treasury procedures and strategy. The loan from OTL is secured by fixed charges on individual properties.

Orbit Capital Plc (OCP) is a public limited company incorporated on 22 January 2015. OCP is a wholly owned subsidiary of Orbit Group and was established for the purpose of issuing publicly listed bonds. OCP issued its first bond on 24 March 2015 raising a £250 million 30-year sterling bond (maturity date 24 March 2045) priced at 3.50%. The company arranged its second public bond issue on 7 June 2018 raising £450 million 30 year sterling bond (maturity date 14 June 2048) priced at 3.375% which was used to restructure the groups existing debt portfolio and provide long term funding to support the group strategy. The company issued its third sterling bond on 24 November 2020 for £300 million priced at 2.00% (maturity date 2038) to provide long term funding to support the group strategy.

The Operating Associations entered into guarantees requiring sufficient property assets to be held as security for the bond and guaranteeing future interest payments due on the bond. The proceeds of the bond were loaned by OCP to the Associations and were used by the Associations to repay in part loans previously received from OTL. Interest on the loan from OCP is due half yearly. The loan is repayable on 24 March 2045 (£250m) and 14 June 2048 (£450m) and 24 November 2038.

On the 28 July 2016 the company raised two £25 million fixed rate bonds with Affordable Housing Finance Plc (AHF) via The Housing Finance Corporation. The fixed rate bond issued is repayable on 30 July 2043, with interest payable at a fixed rate of 2.893%. The fixed rate bond issued was paid at a premium resulting in an effective interest rate of 1.989%. In December 2016 two further £25 million fixed rate EIB loan were raised with Affordable Housing Finance Plc via The Housing Finance Corporation. The EIB loans are repayable by instalments starting in July 2027 and mature in July 2046 with interest payable at a fixed rate of 1.702% and 1.877%.

23. Housing Loans (continued)

Housing loans are secured by specific and floating charges on the Association's housing properties and are repayable at varying rates of interest in instalments due as follows:

	2026 £m	2025 £m
In one year or less, on demand	**49.1**	18.4
Repayable by instalments:		
More than one year but not more than two years	**51.6**	18.4
In more than two years but not more than five years	**154.9**	62.7
In more than five years	**1,335.8**	1,367.9
	1,542.3	1,449.0
Repayable by other than instalments:		
In more than five years	**50.0**	50.0
Total	**1,641.4**	1,517.4

Note (b)

The interest rate profile at 31 March 2026 was:

	Total £m	Variable Rate £m	Fixed Rate £m	Weighted Average Rate %	Weighted Average Term until Maturity Years
Instalment loans	1,591.4	707.7	883.7	**4.00%**	16
Non-instalment loans	50.0	-	50.0	**2.89%**	18
	1,641.4	707.7	933.7	**3.96%**	16

24. Called up share capital

	2026	2025
	£	£
Issued and fully paid shares of £1 each		
At 1 April 2025	**9.0**	10.0
Issued	**12.0**	1.0
Surrendered	**(8.0)**	(2.0)
At 31 March 2026	**13.0**	9.0

The share capital of Orbit Housing Association Limited is raised by the issue of shares with a nominal value of £1 each. The Association's Co-operative and Community Benefit Society status restricts the maximum shareholding per member to one share. There is no authorised share capital and the Orbit Board may issue an unlimited number of £1 shares. Shareholdings are restricted and are held by Board members and the parent undertaking, which holds a share and exercises control over the Association.

The Association's shares carry no right to interest, dividend or bonus and are not capable of being withdrawn, transferred, or held jointly. Shareholders have the right to attend, or to vote by proxy at, any general, special general or extraordinary general meeting of the Association

25. Capital commitments

	2026	2025
	£m	£m
Capital expenditure which has been contracted for but has not been provided for in the financial statements	**224.1**	196.0
Capital expenditure which has authorised under authority from the Orbit Board but has yet to be contracted for	**142.2**	141.2
	366.3	337.2

The Association expects these commitments to be financed with:

	2026	2025
	£m	£m
Social housing and other grants	**21.9**	55.4
Surpluses and borrowings	**344.4**	281.8
	366.3	337.2

26. Contingent liabilities

As at 31 March 2026, there were £36.6 million contingent liabilities within the Association (2025: £36.3 million).

Stock acquisitions previously undertaken include original government grant funding of £36.6 million which has an obligation to be recycled in accordance with the original grant funding terms and conditions. Orbit Housing Association Limited is responsible for the recycling of the grant in the event of the housing properties being disposed of.

27. Financial commitments

Operating leases

At 31 March 2026 the Association was committed to making the following minimum future payments in respect of operating leases other than land and buildings:

	2026 £m	2025 £m
Leases which expire		
Within one year	**0.4**	0.6
Within two to five years	**0.8**	1.9
After five years	**-**	0.2
Total	**1.2**	2.7

28. Ultimate parent entity

The immediate parent undertaking and ultimate parent entity and controlling entity of Orbit Housing Association Limited is Orbit Group Limited, a Co-operative and Community Benefit Society incorporated in the United Kingdom.

Orbit Group Limited is the parent undertaking of the only group of undertakings to consolidate these financial statements at 31 March 2026.

A list of the members of Orbit Group ("Orbit") is contained within the consolidated financial statements of Orbit Group Limited.

The results of Orbit Housing Association Limited are included in the Group financial statements. The consolidated financial statements of Orbit Group Limited are published on the Orbit website www.orbit.org.uk

29. Related party transactions

A number of the board members are tenants/leaseholders of the Association or Group. Their tenancies/leases are on normal commercial terms and the members cannot use their position to their advantage. In the current year aggregate payments to Orbit totalled £12,000 (2025: £29,000). The board members had paid £1,000 in advance as at 31 March 2026 (2025: £2,000).

Orbit Housing Association Limited is a subsidiary of Orbit Group Limited (the parent). Shares are held by serving board members and the parent. Under the Associations rules the parent has the right at any time to appoint or remove any or all of the members of the Board. On this basis the Association considers itself to be wholly owned and has chosen to take advantage of the exemption not to disclose transactions with group entities as defined by Section 33.1A FRS 102.

Further detail of non-consolidated management arrangements and transactions with non-Regulator of Social Housing regulated group entities are shown at note 33.

30. Property portfolio

	2026 Units	2025 Units
<u>**Social**</u>		
Social Rent General Needs	**24,229**	24,147
Affordable Rent	**6,938**	6,656
Supported Housing:		
Social Rent Supported Housing	**3,254**	3,283
Affordable Rent Supported Housing	**167**	167
Care Homes	**13**	14
Low Cost Home Ownership (LCHO)	**54**	55
Total Social Housing Units (excluding Leasehold)	**34,655**	34,322
Leasehold	**1,754**	1,732
Total Social Housing Units	**36,409**	36,054
<u>**Non-Social**</u>		
Market rent	**195**	195
Non-social Leasehold	**168**	168
Retained Freehold	**2,246**	2,116
Commercial units	**12**	15
Total Non-Social Housing Units	**2,621**	2,494
Total Social and Non-Social Housing Units	**39,030**	38,548
Disclosure note:		
Units owned and / or managed	**47,319**	46,543
Units managed by others	**419**	475

Orbit Housing Association Limited manages Orbit Group Limited’s properties. These units are included in the units owned and/or managed heading above.

31. Number of units under development at end of year

	2026 Number	2025 Number
General Needs	**1,159**	637
Total Social Housing units	**1,159**	637

32. Pension costs

Deficit in pension scheme at 1 April 2025 and 31 March 2026 £nil

Local Government Pension Scheme – Kent County Council

The Association participates in The Local Government Pension Scheme (LGPS) defined benefit statutory scheme which is administered by Kent County Council (KCC). These figures have been prepared in accordance with Financial Reporting Standard 102 (FRS102).

Total employer contributions paid to the scheme for the year were £nil (2025: £nil).

The estimated impact of the recent McCloud judgement has been recognised as a past service cost.

In 2022/23 an asset ceiling of £2 million was applied to the net assets of the pension scheme to reduce the net deficit / asset to £nil, in accordance with FRS102, since management does not believe that the surplus reported on the scheme is recoverable. This asset ceiling remained in place for 2025/26. At the end of 2025/26 the funded surplus increased to £3,483,000. Consistent with prior years we have not recognised this surplus.

Orbit Housing Association Limited entered into a 10 year Deferred Debt Agreement with KCC in 2022.

The Virgin Media case

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 29 April 2026, the Pensions Schemes Bill received royal assent (becoming the Pension Schemes Act 2026), passing into law legislation which, in relation to validity issues arising from the Virgin Media ruling, gives affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. Given the legislative solution provided by the Pension Schemes Act 2026, the Directors now do not expect the Virgin Media ruling to give rise to any additional liabilities for the Kent LGPS.

Triennial actuarial valuation

Triennial actuarial valuations of the LGPS are performed by an independent, professionally qualified actuary. The most recent valuation of KCC's scheme was completed as at 31 March 2025. In accordance with the terms of the Deferred Debt Agreement the Scheme was valued on a projected cessation basis giving rise to an asset position of £0.9 million and a funding level of 111%.

The major financial assumptions used by the actuary in the FRS 102 valuation are:

	2026	**2025**
Rate of increase in salaries	**3.85%**	3.90%
Rate of increase in pensions in payment and deferred pensions	**2.85%**	2.90%
Discount rate applied to scheme liabilities	**6.00%**	5.75%
Inflation assumption – CPI	**2.85%**	2.90%
Inflation assumption – RPI	**3.30%**	3.25%

The estimated Macaulay duration of the Employer's liabilities as at the accounting date using the assumptions set out above is 12 years.

Life expectancy from age 65 (years)

		2026 Number	2025 Number
Retiring today	Males	**21.6**	20.7
	Females	**23.9**	23.3
Retiring in 20 years	Males	**23.2**	22.0
	Females	**25.6**	24.7

Scheme assets	2026 £m	2025 £m
Equities	**6.0**	5.5
Government bonds	**0.6**	0.6
Other bonds	**1.4**	1.4
Property	**1.0**	0.8
Other – cash	**0.3**	0.4
Absolute Return fund	**0.5**	0.5
Other	**0.5**	0.5
Total fair value of assets	**10.3**	9.7
Present value of scheme liabilities	**(6.8)**	(6.8)
Total asset	**3.5**	2.9
Impact of asset ceiling	**(3.5)**	(2.9)
Net pension asset / (liability)	**-**	-

Statement of financial position at 31 March 2026

	2026 £m	2025 £m
Present value of the defined benefit obligation	**6.8**	6.8
Fair value of fund assets (bid value)	**(10.3)**	(9.7)
Impact of asset ceiling	**3.5**	2.9
Deficit	**-**	-
Present value of unfunded obligation	**-**	-
Net defined benefit liability	**-**	-

Scheme liabilities

	2026 £m	2025 £m
Opening defined benefit obligation	**6.8**	7.7
Service cost	**-**	-
Interest cost	**0.3**	0.4
Change in financial assumptions	**(0.2)**	(0.9)
Change in demographic assumptions	**0.1**	-
Experience loss on defined benefit obligation	**0.2**	-
Estimated benefits paid net of transfers in	**(0.4)**	(0.4)
Closing defined benefit obligation	**6.8**	6.8

	2026 £m	2025 £m
Opening fair value of scheme assets	**9.7**	9.7
Interest on assets	**0.5**	0.5
Return on assets less interest	**0.5**	(0.1)
Other actuarial gains	**-**	-
Estimated benefits paid net of transfers in and including unfunded	**(0.4)**	(0.4)
Fair value of scheme assets at the end of the year	**10.3**	9.7

Analysis of amounts charged to statement of comprehensive income

	2026 £m	2025 £m
Amounts charged to operating costs		
Service costs	**-**	-
Administration expenses	**-**	-
Total amount recognised in statement of comprehensive income	**-**	-

Defined benefit costs recognised in other comprehensive income

	2026 £m	2025 £m
Return on fund assets in excess of interest	**0.5**	(0.2)
Change in financial assumptions	**0.2**	0.9
Effects of change in demographic assumptions	**(0.1)**	-
Experience loss on defined benefit obligation	**(0.2)**	-
Changes in impact of asset ceiling	**(0.4)**	(0.7)
Total amount recognised in other comprehensive income	**-**	-

33. Non-consolidated management arrangements

Orbit Housing Association Limited has entered into arrangements with a number of other organisations in connection with the management of properties. The financial transactions affecting those managing agents are not consolidated where the risk rests with these agents.

During the year the Association has transacted with three fellow group subsidiaries not regulated by the Regulator of Social Housing, Orbit Homes (2020) Limited, Orbit Treasury Limited and Orbit Capital plc.

Orbit Homes (2020) Limited provides design and build services to the Group. During the year the Association made payments totalling £91.3 million (2025: £79.3 million) to Orbit Homes (2020) Limited for the purchase of housing property assets, £3.3 million (2025: £3.3 million) in project management fees and has an outstanding creditor balance with Orbit Homes (2020) Limited of £6.5 million (2025: £6.1 million) and outstanding debtor balance of £nil (2025: £nil).

Orbit Treasury Limited and Orbit Capital plc provide a funding on-lending service to Group members.

During the year the Association paid interest costs to Orbit Treasury Limited totalling £30.7 million (2025: £29.2 million) and fees of £4.6 million (2025: £4.4 million) and has an outstanding debtor balance of £nil (2025: £nil) and creditor balance of £20.2 million (2025: £18.2 million). The allocation of these costs is based upon the level of debt required and secured by the housing property held in the Association.

The Association also paid interest costs of £26.3 million (2025: £26.3 million) and fees of £1.4 million (2025: £0.7 million) to Orbit Capital plc and had an outstanding debtor balance of £nil (2025: £nil) and creditor balance of £7.7 million (2025: £6.8 million) with Orbit Capital plc. The allocation of these costs is based upon the level of debt required and secured by the housing properties held by the Association.

34. Post balance sheet events

In line with our Group densification strategy we are planning to dispose of around 2,200 properties to another registered provider of which some 1,400 are Orbit Housing Association Limited properties in 2026/27.