

Orbit Housing Association Limited

Financial statements

For the year ended 31 March 2025

Co-operative and Community Benefit Society Number 27802R

Regulator of Social Housing Number L4060

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The Board, Executive Officers and Advisors

Board Members

Name	Position	Appointed	Resigned / Retired
Stephen Howlett	Chair Non Executive Director	1 November 2018 1 April 2019 (Chair)	31 December 2024
David Butler	Non Executive Director	1 August 2018	31 March 2025
John Brennan	Non Executive Director	28 August 2018	31 March 2025
Helen Gillett	Non Executive Director	1 February 2019 1 January 2025 (Interim Chair to 31 March 2025)	
David Glover	Non Executive Director	25 September 2019	31 March 2025
Jake Boomhauer	Non Executive Director	26 July 2016	23 January 2025
Tonia Mihill	Non Executive Director	1 November 2017	31 March 2025
Manpreet Dillon	Non Executive Director	8 October 2021 1 June 2025 (reappointed)	31 March 2025
Guy Stenson	Non Executive Director	1 August 2022	31 March 2025
Mike Turner	Non Executive Director	1 August 2022	31 March 2025
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	
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	

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 Neighbourhoods and Communities
Katherine Buxton	Director of Housing Services
Jeanette Hodges	Strategic Asset Management Director

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

Report of the Board

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 £58.1 million (2024: £62.6 million). Operating margin excluding property sales and movement in fair value of investment properties has decreased to 21.8% (2024: 24.1%). 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 £17.3 million to £276.7 million (2024: £259.4 million). Net rental income increased by £18.7 million mainly due to annual rental increases.

Overall operating costs are £216.5 million an increase of £20 million on the prior year (2024: £196.5 million). It has been a financially challenging year that has seen high levels of inflation, increased volumes and costs of day to day repairs combined with damp, mould & condensation costs and compensation and disrepair claims. 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, investment in our procurement team to continue to drive value for money, investment in on-line services through a new website and customer portal which give more control and flexibility to customers. We continue to improve our lettings process helping to ensure our properties are re-let quickly. We have incurred depreciation charges of £47.7 million (2024: £42.7 million) from new properties coming into management and capital reinvestment in our properties.

Interest payable on loans primarily used to fund new homes has increased by £4.8 million to £58.0 million (2024: £53.2 million).

Total comprehensive income was £20.9 million (2024: £14.0 million), an increase of £6.9 million during 2025 primarily driven by an increased surplus on the sale of housing properties from the stock densification programme (£14.8m).

Tangible fixed assets rose by £139.0 million (from £2,569.1 million in 2024 to £2,708.1 million in 2025) reflecting our development of new homes as well as our investment in improving existing homes for customers. Total net assets rose by £20.9 million to £505 million (2024: £484.1 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

At the beginning of 2024/25 we launched our 2030 Strategy, which outlines our ambitions, renews our strategic approach, sharpens our operational focus, and reaffirms our commitment to playing our part in tackling the UK's housing crisis. Our 2030 Strategy sets out how we plan to continue to provide safe, sustainable, and affordable homes that our customers are proud to live in, by delivering and regenerating new homes sustainably, investing in the safety, quality, and energy efficiency of our homes, and ensuring a laser-sharp focus on customers' priorities.

Everyday Excellence

To support us in realising our 2030 ambitions we launched Everyday Excellence, a five-year transformation programme that turns the principles of what we want to achieve into actions. Under Everyday Excellence, we are significantly investing in technology, data infrastructure, and people and capability, along with increasing localised delivery via the creation of six regions, and the launch of an omnichannel customer experience. It reshapes how we work, putting in place the right structures, culture and capability, systems, processes, and technology, to ensure every area of the organisation has a laser-sharp focus on our customers' priorities and enable us to be more consistent at being great social landlord.

Everyday Excellence: Property repairs improvement programme

Working with our partners to deliver an efficient 'right first time' repairs service is central to improving our customer experience. Over the past 12 months we have continued to progress our property repairs improvement programme across our property operations and responsive maintenance service, to enable us to provide a better service to our customers. We have worked closely with our engaged customer group, who have provided vital feedback against each stages of the journey and helped to shape future stages.

Improving the energy efficiency of our homes, supporting energy affordability and progress to net zero carbon

We continue to invest in the energy efficiency of our homes and have committed that 100% of our existing homes will be EPC band C or above by 2030. We have made further progress towards this target with over 87% of our homes now rated EPC C or above. This year, we completed energy efficiency upgrades to 212 homes under the Social Housing Decarbonisation Fund Wave 2.1 programme and are in the process of upgrading a further 135 homes after securing an additional £580k in funding.

Improving our Estates Services

We are committed to maintaining our neighbourhoods and communal spaces, so they are safe places for people to enjoy. We aim to deliver the best possible service for our customers for the best possible price. This year we agreed new contracts for Communal Cleaning Services and Window Cleaning services in all regions, as well as our Grounds Maintenance Service in the East and South. We are working closely with our contractor partners and are completing more estate inspections to make sure agreed standards are upheld. We are also closely monitoring the service delivered by our own in house team to ensure the specification is being met.

Progressing against our densification strategy

We have continued to work to increase geographical efficiencies, improve customer satisfaction, value for money and services for our customers. Any surplus generated from these activities has continued to be reinvested in the maintenance, improvement, and the energy efficiency of our existing homes, as well as more affordable homes within our key areas of operation.

Health and safety

We've continued our pioneering work in establishing the 'Golden Thread' of information required by the Building Safety Act for higher risk buildings. The 'Golden Thread' refers to a clear, up-to-date record of all critical information about a building's design, maintenance, and safety features, which is essential for ensuring the wellbeing of residents and the longevity of buildings. Combining cutting-edge Building Information Modelling (BIM) with the UK Housing Data Standard (UKHDS), we've created a common data framework to maintain detailed, high-quality information about our buildings in a standardised format, which will improve decision-making and enhance the overall management of our buildings. We secured the ROSPA Gold Award for the seventh year running for best practice in health and safety and customer safety.

Excellent Services

Delivering excellent services to support our customers and ensuring a laser-sharp focus on their priorities and which take account of additional needs, sits at the heart of our ambition to provide amongst the best customer experience of any housing association in the country. The past 12 months have been a significant period of change across all areas of our organisation as we work towards our ambition, making improvements to our services and transforming how we work.

We are reshaping our operational teams to ensure we have the right teams in the right places to maximise the support we can offer customers and that we have an operating model that enables us to deliver on our ambition. This year we have focused on our customer teams, with the creation of our new Customer Care team. This team has clearer accountabilities and roles, and is multi-skilled to handle enquiries across various housing disciplines.

As part of our Everyday Excellence programme, we have also begun to design our new neighbourhood services team. Shaped across regions, our new neighbourhood services model will enhance our local delivery, and bring our team, decision making and localised funding closer to those who know and engage with our customers.

Everyday Excellence: Supporting Change: Technology & Data

Over the next two to three years, we are working to introduce a new, customer-orientated technology solution that will provide an online customer management system that is simple to use and delivers a complete end-to-end outcome for customers, allowing us to answer more queries at the point of contact and giving customers greater choice of how to contact us along with increased self-serve capability.

Work is well underway with our chosen partner who will support us in developing the system, which will cover all key customer and property areas and support how we want to work. We hope to start introducing the first elements of the new system towards the end of 2025.

Tenant Satisfaction Measures

The Tenant Satisfaction Measures provide us with the ability to monitor our performance through the eyes of our customers and provide valuable insights into where we need to drive improvements in the areas that matter most to customers.

This year, 2,869 customers comprising a sample of renters and shared owners participated in our surveys which were conducted via telephone. We saw a slight improvement in overall satisfaction for both renters and shared owners, however, we must continue to improve, particularly in complaints handling and satisfaction with repairs. Our Everyday Excellence delivery programme includes focused workstreams on how we can further improve these.

Customer Resolutions

Over the past 12 months, we have focused intensively on improving our complaints handling. We recognised that an increase in the volume and complexity of complaints meant that we were not always meeting our customer expectations in this area and responding in a timely way. At the beginning of the year, we had backlog of unresolved complaints which was impacting our ability to provide customer resolutions as quickly as we should have been.

In response, we made several improvements to the way we handle complaints and to enhance customer experience and improve colleague engagement. As a result, our complaint handling performance has stabilised. We've strengthened how we manage service requests and support customers earlier in their journey. Although resolution times are improving, we're continuing to embed learning from complaints across all areas of the business.

Housing Ombudsman Update

We believe that everyone is entitled to a good quality home, which is why, when we get something wrong, we strive to put it right and learn from it. Over the course of the year, we received nine Severe Maladministration's from the Housing Ombudsman Service. These spanned seven cases and we have fully accepted the findings of the Housing Ombudsman, apologised to all customers affected in these cases and addressed all orders issued. We remain fully committed to continuing our long-term journey to improve our services.

In partnership with customers

Collaborating with customers to shape our services and policies is central to everything we do. We are passionate about championing and working in partnership with customers to ensure their voices are heard, and more importantly, that we drive meaningful change based on their feedback. Last year we launched our Customer Commitments, which outline what customers value from us and what we must deliver in return. Developed with our customers, these form the cornerstone of the customer-centric culture we want to deliver today and in the future, and we have been working to embed these in all we say and do.

Customer engagement

Customer collaboration and input is key to helping us shape our services and offering. But for this to be effective, it's important that customers have a safe space to voice their opinions, thoughts, and feedback, and that we listen and act on these together. Our Customer Engagement activities play a large part in providing this, offering safe and supportive platforms for us to collaborate with a range of customers.

Our Customer Engagement Strategic Committee

All of our customer engagement work is overseen by our Customer Engagement Strategic Committee which was created with Engaged Customers to help develop the strategy and delivery of our Your Voice customer engagement programme. Acting as an invaluable critical friend, the Committee meets quarterly to review progress and ensure the customer voice is heard, represented and delivers meaningful change.

Community Investment

Making a positive difference to our customers and supporting customers to maximise their potential and maintain their tenancies and wellbeing, sits at the core of our social purpose. This is why this year we brought together our Better Days, Placemaking and Tenancy Sustainment teams to create one cohesive Community Investment team to better leverage our resources, teams and assets, so we can provide more hyperlocal solutions that enable customers and make a meaningful difference to their lives. The team is responsible for driving our localisation strategy, using data-driven insights to address key societal issues, shape policy, and attract external investment.

Supporting customers to remain independent in their homes

We are committed to playing our part in ensuring that a growing national population of older people has access to affordable housing that is suitable for their changing needs. As part of this, we've embarked on an improvement programme of a number of our independent living schemes.

Supported Living

We provide just under 700 Supported Housing homes for people who benefit from learning or improving their skills to live as independently as possible. This includes people in need of a domestic violence refuge, those who have been homeless, and homes for people with learning and physical disabilities. We assist with tenancy and property-related matters, with partner organisations such as Mind, Mencap, Action for Children, The Salvation Army and Humankind providing onsite care and support. They help customers with health needs, daily living skills, community access, everyday budgeting, and home management.

Operating sustainably

We are committed to maximising our positive social and environmental impacts, from becoming net zero carbon and delivering on our 30by30 biodiversity target, to improving energy affordability for customers today, whilst also providing energy efficient homes that meet the needs of the future. These goals will all support our wider ambition to provide amongst the best customer experience of any housing association in the country.

Over the last 12 months we have continued to work towards the targets set out in our Sustainability Strategy, which underpins our 2030 Strategy. We are proud of the progress we have made, but recognise there is still much more to do, particularly in supporting our customers as we collectively transition to net zero.

30by30

We are committed to ensuring that 30% of our outdoor spaces support nature's recovery by 2030, in line with the Wildlife Trusts' '30by30' campaign as well as the UN Convention's goals on Biological Diversity. Our programme is designed with customers throughout, ensuring that our green spaces are not only attractive for nature, but provide spaces to enjoy, explore and play in.

Zero Waste

We recognise that we still have work to do on delivering on our waste targets. This year, we have worked with our Zero Waste Working Groups to develop our Zero Waste Approach, which will be published early in 2025/26. This sets out the actions we are going to take to make further progress towards a circular economy where resources are sourced, produced, used, and disposed of sustainably within our organisation. We are committed to continuing to develop and implement a range of waste management initiatives to support our waste reduction targets.

Supply chain

With the introduction of the new Procurement Act 2023 we have been developing our new supplier social value framework with a focus on aligning with the Government's Public Procurement Notice 002/25 and the model award criteria. This framework will enable us to have a greater focus on the areas where we know we can have greater impact in supporting customers and communities to thrive. It will also help our future partners with greater transparency and a clearer identification of how we score our tenders and ensure a greater focus on social value delivery.

Valuing diversity

Being fair and equitable to all, irrespective of age, gender, disability, race, caring responsibilities, religion/belief or sexual orientation sits at the core of our purpose. We aim to create inclusive, age-friendly communities where people feel safe and at home. Customer services and support will ensure everyone feels valued and heard, and this extends to our employment experience, so we provide great places to live as well as a great place to work.

Supporting customers

Alongside our Customer Engagement Strategy, Customer Engagement Strategic Committee, we have a growing number of customer diversity groups, including LGBTQ+, disability and future voices, to ensure the customer voice is embedded in all our decisions and actions, helping us to prioritise our Equity, Diversity, and Inclusion programme.

Governance

To ensure our customers are right at the heart of our strategic decision making and support the delivery of our 2030 ambitions, we have made changes to our governance structure. We combined our Orbit Housing Association Board with the Orbit Group Board to create a 'Common Board' to oversee all aspects of operational and strategic direction. Our new governance structure came into effect from 1 April 2025, with the new Common Board responsible for setting our vision, strategy, objectives and plans, and overseeing the performance and allocation of the financial resources needed to deliver on those plans. There are currently twelve members of the new Common Board. Changes to board membership are detailed on page 1 of these financial statements.

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.

Orbit Housing Association Limited

Report of the Board

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

There are no post balance sheet events.

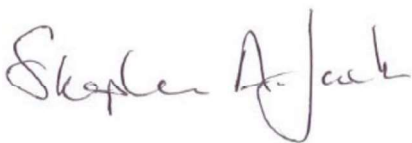
Going concern

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 18 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 Jack
Chair

18 August 2025

Statement of Internal control

The Statement of Internal Control provides an opinion to internal and external stakeholders on how effectively Orbit governs its business so as to manage the key risks to the successful delivery of its business and financial plan.

Sources of assurance

A key element of providing this opinion is based upon Orbit's 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.

Orbit's three lines of assurance activities focus on the following areas:

Third line assurance

- Internal Audit – We have an in-house team who are supported by external experts to deliver the Internal Audit Annual Plan. Areas where we commission experts include treasury, development and IT / cyber security.

Second line assurance

- Delivery of the annual Internal Audit plan
- 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 2024/25, the overall opinion is that Orbit's internal control (financial and non-financial) environment, supported by risk management and governance arrangements, is operating with sufficient effectiveness to provide reasonable assurance to Executive Team, the Audit and Risk Assurance Committee and Common Board.

Housing Ombudsman (HO)

The HO has identified issues with the repairs and complaint handling arrangements such as a lack of vulnerability data for customers. A total of nine severe maladministrations and 135 maladministrations were received during the year. The HO identified improvements were needed in the following areas of management:

- Anti - Social Behaviour
- Management move
- Complaints handling
- Damp mould and condensation
- Responding to vulnerable customers.

The 2030 Corporate Strategy is the catalyst to improve services to our customers and reduce further determinations from the HO. However, some of these improvements will take time to embed and as such it is reasonable to assume that during 2025/26 the HO could issue more determinations to Orbit.

The full Group Statement of Internal Control is included on page 133 of the Group Annual Report.

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 2025. 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 18 August 2025 and signed on its behalf by:



Amanda Harris
Secretary

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Orbit Housing Association Limited ("the association") for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves and related notes, including the accounting policies in note 1.

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 31 March 2025 and of the income and expenditure of the association 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 their 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 their 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:

Independent Auditor's Report

- Enquiring of management, directors and internal audit as to the association'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 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. 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 and borrowing 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 non-compliance 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.

Independent Auditor's Report

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 non-compliance 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 Report of the Board. 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

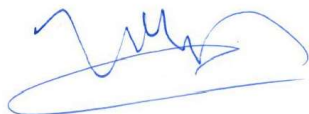
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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

Independent Auditor's Report

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.

A handwritten signature in blue ink, appearing to read 'Harry Mears', with a long horizontal flourish underneath.

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

20 August 2025

Orbit Housing Association Limited

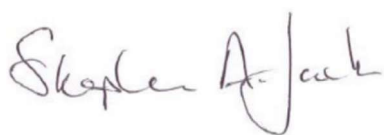
Statement of Comprehensive Income for the year ending 31 March 2025

	Note	2025 £m	2024 £m
Turnover	2	276.7	259.4
Cost of sales	2	-	(0.3)
Operating costs	2	(216.5)	(196.5)
Surplus on sale of housing properties	7	21.7	4.6
Movement in fair value of investment properties	15	(2.1)	-
Operating surplus	5	79.8	67.2
Interest receivable	8	0.2	0.2
Interest payable	9	(58.0)	(53.2)
Other financing costs	9	(0.1)	(0.1)
Surplus before taxation		21.9	14.1
Taxation	10	-	(0.1)
Surplus for the year		21.9	14.0
Actuarial gain in respect of pension schemes	32	-	-
Implementation of asset ceiling		-	-
Distribution of Voluntary Right to Buy reserve to development partners		(1.0)	-
Total comprehensive income		20.9	14.0

All amounts derive from continuing operations.

The accompanying notes form part of these financial statements.

The financial statements on pages 15 to 43 were approved by the Board and signed on its behalf by:



Stephen Jack
Chair



Helen Gillett
Board Member



Amanda Harris
Secretary

18 August 2025

Orbit Housing Association Limited
Statement of Changes in Reserves for the year ending 31 March 2025

	Income & Expenditure Reserve £m	Total Reserves £m
Balance as at 1 April 2023	470.1	470.1
Surplus for the year	14.0	14.0
Actuarial gain on pension liability	-	-
Balance at 31 March 2024	484.1	484.1
Balance as at 1 April 2024	484.1	484.1
Surplus for the year	21.9	21.9
Actuarial gain on pension liability	-	-
Distribution of Voluntary Right to Buy reserves to development partners	(1.0)	(1.0)
Balance at 31 March 2025	505.0	505.0

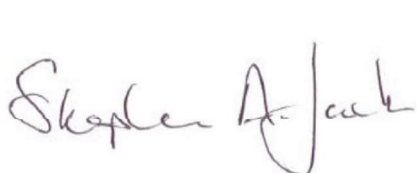

The accompanying notes form part of these financial statements.

During the year a distribution of Voluntary Right to Buy reserves (£1.0m) was made to a development partner to reinvest in the building of 16 new homes.

Orbit Housing Association Limited
Statement of Financial Position as at 31 March 2025

	Note	2025 £m	2024 £m
Fixed assets			
Tangible fixed assets	11 & 12	2,708.1	2,569.1
Fixed asset investments	13	2.7	2.5
Intangible assets	14	3.8	1.7
Investment properties	15	42.6	44.7
		2,757.2	2,618.0
Current assets			
Properties for sale and stocks	16	1.8	2.3
Trade and other debtors (of which £2.1m > 1 year 2024: £3.5m)	17	37.6	72.1
Cash at bank and in hand		0.5	3.4
		39.9	77.8
Less: creditors: amounts falling due within one year	18	(144.4)	(140.8)
Net current (liabilities) / assets		(104.5)	(63.0)
Total assets less current liabilities		2,652.7	2,555.0
Creditors: amounts falling due after more than one year	19	(2,147.7)	(2,070.9)
Provisions for liabilities			
Pension liabilities	32	-	-
Total net assets		505.0	484.1
Reserves			
Income & expenditure reserve		505.0	484.1
Total reserves		505.0	484.1

The financial statements on pages 15 to 43 were approved by the Board and signed on its behalf by:

Stephen Jack
Chair

Helen Gillett
Board Member



Amanda Harris
Secretary

18 August 2025

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 2025/26 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. 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 on a twice-yearly basis 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 | -Proportion of properties vacant |
| -Change in legislation | -Average void time |
| -Proportion of properties vacant | -Loss made on property sales |
| -Schemes being re-developed/demolished | |

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. No depreciation charge is made during the year in which a property comes into management, nor in the year of sale.

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 18 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 over the following expected economic useful lives:

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 4–10 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.

Orbit Housing Association is aware of the 'Virgin Media Ltd v NTL Pension Trustees II Ltd (and others)' case and considers that there is potential for the outcome of this case to have an impact on our LGPS scheme. The Government Actuary's Department is undertaking a review currently to determine if there is an impact.

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.

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.

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 2025 as published on the Orbit website www.orbit.org.uk.

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

2025	Turnover £m	Cost of sales £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:					
First tranche low-cost home ownership sales	-	-	-	-	-
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
Movement in fair value of investment properties (note 15)	-	-	-	(2.1)	(2.1)
Total	276.7	-	(216.5)	19.6	79.8

2024	Turnover £m	Cost of sales £m	Operating costs £m	Other Operating items £m	Operating surplus/ (deficit) £m
Social housing lettings (Note 3)	245.3	-	(178.8)	-	66.5
Other social housing activities					
First tranche low cost homeownership sales	-	-	-	-	-
Other	8.7	-	(14.8)	-	(6.1)
Total	254.0	-	(193.6)	-	60.4
Surplus on sale of housing properties (Note 7)	-	-	-	4.6	4.6
Total social housing activities	254.0	-	(193.6)	4.6	65.0
Activities other than social housing	5.4	(0.3)	(2.9)	-	2.2
Total	259.4	(0.3)	(196.5)	4.6	67.2

3. Income and expenditure from social housing lettings

	General needs housing £m	Supported housing & housing for older people £m	2025 £m	2024 £m
Income				
Rent receivable net of service charges & voids	208.5	19.2	227.7	209.2
Service charge income	11.9	11.1	23.0	24.0
Amortisation of social housing and other capital grant	10.3	1.8	12.1	11.9
Other grants	0.7	-	0.7	0.2
Turnover from social housing lettings	231.4	32.1	263.5	245.3
Operating expenditure				
Management	(29.8)	(4.5)	(34.3)	(32.2)
Service charge costs	(14.9)	(12.2)	(27.1)	(27.3)
Routine maintenance	(51.7)	(10.8)	(62.5)	(51.2)
Planned maintenance	(18.2)	(6.8)	(25.0)	(24.5)
Bad debts	(0.8)	(0.1)	(0.9)	-
Depreciation and impairment of housing properties	(41.6)	(5.9)	(47.5)	(43.6)
Operating expenditure on social housing lettings	(157.0)	(40.3)	(197.3)	(178.8)
Operating surplus on social housing lettings	74.4	(8.2)	66.2	66.5
Void losses	(2.9)	(1.3)	(4.2)	(4.1)

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

	2025 £m	2024 £m
Operating surplus is arrived at after charging/(crediting)		
Housing properties:		
Depreciation charge	47.7	42.7
Amortisation of social housing grant	(12.1)	(11.9)
Impairment charge	-	1.0
Other fixed assets:		
Depreciation of other tangible fixed assets	0.7	0.1
Operating lease rentals:		
Land and buildings	0.2	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. 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. Payments made to board members are shown below. Payments made to board members who are also members of the Group Board (now called the Common Board) are disclosed in the financial statements of Orbit Group Limited.

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

	2025 £000	2024 £000
D Butler (resigned 31 March 2025)	9	9
J Boomhauer (resigned 23 January 2025)	5	7
T Mihill (resigned 31 March 2025)	6	6
J Brennan (resigned 31 March 2025)	6	6
D Glover (resigned 31 March 2025)	6	6
M Dillon (resigned 31 March 2025)	6	6
G Stenson (resigned 31 March 2025)	7	7
M Turner (resigned 31 March 2025)	6	7
Total	51	54

Expenses paid during the year on behalf of board members amounted to £3,000 (2024: £1,000).

7. Surplus on sale of fixed assets- housing properties

	Letting £m	Shared Equity £m	2025 Total £m	2024 Total £m
Disposal proceeds	38.9	0.2	39.1	15.2
Cost of disposals	(23.6)	(0.1)	(23.7)	(14.6)
	15.3	0.1	15.4	0.6
Capital grant recycled	1.0	-	1.0	1.2
Right to Buy clawback	(0.8)	-	(0.8)	(0.3)
Grant abated	6.1	-	6.1	3.1
Surplus on disposal	21.6	0.1	21.7	4.6

The balance includes a surplus of £14.8 million from the sale of properties under our stock densification programme

8. Interest receivable and other income

	2025 £m	2024 £m
Interest receivable and similar income	0.2	0.2

9. Interest payable

	2025 £m	2024 £m
Loans and bank overdrafts	63.2	58.9
Interest payable capitalised on housing properties under construction	(4.8)	(5.3)
Loan premium write-off	(0.4)	(0.4)
	58.0	53.2
Other financing costs:		
Defined benefit pension charge	-	-
Loan arrangement fees	0.1	0.1
Finance restructuring costs	-	-
	0.1	0.1

Interest is capitalised at the Group weighted average cost of capital 3.91% for 2025 and 3.79% for 2024.

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

	Housing properties for letting		Supported Housing	Low cost home ownership	Non- social housing	
	Completed £m	In Development £m	Completed £m	Completed £m	Completed £m	Total £m
Cost						
At 1 April 2024	2,723.0	173.7	102.3	5.7	3.1	3,007.8
Additions	75.3	114.4	11.4	0.1	-	201.2
Schemes completed	94.7	(94.7)	-	-	-	-
Transfer to other Group members	(1.7)	-	-	(0.4)	-	(2.1)
Disposals	(26.1)	-	(0.7)	(0.1)	-	(26.9)
At 31 March 2025	2,865.2	193.4	113.0	5.3	3.1	3,180.0
Less: accumulated depreciation						
At 1 April 2024	(408.3)	-	(29.2)	(0.4)	(0.4)	(438.3)
Eliminated on disposal	10.4	-	0.4	-	-	10.8
Charge for the year	(39.7)	-	(5.4)	-	-	(45.1)
At 31 March 2025	(437.6)	-	(34.2)	(0.4)	(0.4)	(472.6)
Less: provisions for impairment						
At 1 April 2024	(1.0)	-	-	-	-	(1.0)
Charge for the year	-	-	-	-	-	-
At 31 March 2025	(1.0)	-	-	-	-	(1.0)
Net book amount:						
At 31 March 2025	2,426.6	193.4	78.8	4.9	2.7	2,706.4
At 31 March 2024	2,313.7	173.7	73.1	5.3	2.7	2,568.5

Additions to properties during the year include capitalised interest and finance costs of £4.8 million (2024: £5.3 million) and project management fees of £3.3 million (2024: £3.9 million).
Net book value of housing and other properties comprises:

	2025 £m	2024 £m
Freehold and long leasehold land and buildings	2,706.4	2,568.5
Other freehold/leasehold/commercial properties	1.7	0.6
	2,708.1	2,569.1

12. Other fixed assets

	Freehold offices £m	Leasehold offices £m	Commercial premises £m	Furniture, fixtures & Equipment £m	Total £m
Cost					
At 1 April 2024	0.3	3.2	0.6	3.4	7.5
Additions	-	-	-	1.1	1.1
Disposals	-	-	-	-	-
At 31 March 2025	0.3	3.2	0.6	4.5	8.6
Less:					
Accumulated depreciation					
At 1 April 2024	(0.3)	(2.1)	(0.4)	(3.4)	(6.2)
Charge for year	-	-	-	-	-
At 31 March 2025	(0.3)	(2.1)	(0.4)	(3.4)	(6.2)
Less:					
Provisions for impairment					
At 1 April 2024	-	(0.7)	-	-	(0.7)
Release of provision	-	-	-	-	-
At 31 March 2025	-	(0.7)	-	-	(0.7)
Net book amount					
At 31 March 2025	-	0.4	0.2	1.1	1.7
At 31 March 2024	-	0.4	0.2	-	0.6

13. Fixed asset investments

	2025 £m	2024 £m
Monies deposited for Affordable Housing Finance Plc	2.7	2.5
	2.7	2.5

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 £326,197. The AHF Bond is secured by a first fixed charge on properties.

14 Intangible assets

	2025 £m	2024 £m
Cost		
At 1 April 2024	1.7	-
Additions	2.8	1.7
At 31 March 2025	4.5	1.7
Amortisation		
As 1 April 2024	-	-
Charge for the year	(0.7)	-
At 31 March 2025	(0.7)	-
Net book amount at 31 March	3.8	1.7

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

	2025 £m	2024 £m
At 1 April 2024	44.7	44.4
Additions during the year	-	-
(Loss) / gain on valuation	(2.1)	0.3
At 31 March 2025	42.6	44.7

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 2025 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 5.36% for Fordham House and 4.25% for St Anne's Quarter.

16. Properties for sale

	2025 £m	2024 £m
Housing properties converted and under construction for sale	1.8	2.3
	1.8	2.3

17. Debtors

	2025 £m	2024 £m
Due within one year:		
Rental debtors	3.7	6.8
Less: provision for doubtful debts	(2.0)	(2.0)
	1.7	4.8
Service charges due from Leaseholders	0.3	0.4
Amounts due from Group undertakings	25.1	54.1
Prepayments and accrued income	3.8	3.5
Other debtors	4.7	5.9
Provision for bad debts	(0.1)	(0.1)
	35.5	68.6
Due after more than one year:		
Other debtors	2.1	3.5
	2.1	3.5
Total	37.6	72.1

18. Creditors: amounts falling due within one year

	2025	2024
	£m	£m
Housing loans inter-company (Note 23)	18.4	8.5
Amounts due to Group undertakings	48.9	81.4
Trade Creditors	1.5	24.5
Other creditors including taxation and social security	6.8	3.7
Accruals and deferred income	49.2	1.5
Rents received in advance	7.3	7.6
Recycled Capital Grant Fund (Note 22)	0.2	1.7
Deferred capital grant (Note 20)	12.1	11.9
Total	144.4	140.8

Within amounts due to group undertakings shown above there is an inter-company creditor with Orbit Group Limited (OGL) of £17.0 million which is repayable on demand (2024: £29.7 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

	2025	2024
	£m	£m
Housing loans (Note 23)	99.3	99.3
Housing loans inter-company (Note 23)	1,399.0	1,328.2
Deferred capital grant (Note 20)	627.5	621.4
Deferred income for renewals and maintenance contributions	12.5	11.6
Other creditors	2.1	1.9
Recycled Capital Grant Fund (Note 22)	0.9	1.8
Loan premium Affordable Housing Finance Plc	6.4	6.7
Total	2,147.7	2,070.9

Housing loans shown above are net of £0.7m (2024: £0.7m) loan arrangement fees carried forward.

20. Deferred capital grant

	2025 £m	2024 £m
At 1 April 2024	633.3	609.5
Grant received and utilised in the year	23.3	39.5
Released to income in the year	(12.1)	(11.9)
Elimination of amortisation on disposal	2.4	0.5
Transfer to RCGF	(1.0)	(1.2)
Grant abated on disposal	(6.1)	(3.1)
Transfer to other Group members	(0.2)	-
At 31 March 2025	639.6	633.3

Analysed as:

	2025 £m	2024 £m
Amounts to be released within one year	12.1	11.9
Amounts to be released in more than one year	627.5	621.4
	639.6	633.3

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 2024	3.5
Grants recycled	1.4
Interest accrued	0.1
Utilised in the year	(3.8)
Repayment of grant	(0.1)
At 31 March 2025	1.1

Amount due for repayment to Homes England

	2025 £m	2024 £m
Within one year	0.2	1.7
After more than one year	0.9	1.8
At 31 March 2025	1.1	3.5

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

23 Housing loans

	2025 £m	2024 £m
Due within one year		
Orbit Treasury Limited	18.4	8.5
Due after more than one year		
Orbit Treasury Limited	565.3	494.5
Orbit Capital Plc	833.7	833.7
Affordable Housing Finance Plc	100.0	100.0
	1,499.0	1,428.2
Total	1,517.4	1,436.7

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:

	2025 £m	2024 £m
In one year or less, on demand	18.4	8.5
Repayable by instalments:		
More than one year but not more than two years	18.4	8.5
In more than two years but not more than five years	62.7	30.6
In more than five years	1,367.9	1,339.1
	1,449.0	1,378.2
Repayable by other than instalments:		
In more than five years	50.0	50.0
Total	1,517.4	1,436.7

Note (b)

The interest rate profile at 31 March 2025 was:

	Total £m	Variable Rate £m	Fixed Rate £m	Weighted Average Rate %	Weighted Average Term until Maturity Years
Instalment loans	1,467.4	583.7	883.7	4.04%	17
Non-instalment loans	50.0	-	50.0	2.89%	19
	1,517.4	583.7	933.7	4.00%	17

24. Called up share capital

	2025 £	2024 £
Issued and fully paid shares of £1 each		
At 1 April 2024	10.0	10.0
Issued	1.0	-
Surrendered	(2.0)	-
At 31 March 2025	9.0	10.0

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 means the maximum shareholding permitted per member is 1 share. There is no authorised share capital and the Orbit Board may issue as many £1 shares as it wishes. However, the Board operates a restricted shareholding policy with all shares held by board members, and the parent body. The Association's shares carry no right to interest, dividend or bonus. Shares are not capable of being withdrawn or transferred and cannot be 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

	2025 £m	2024 £m
Capital expenditure which has been contracted for but has not been provided for in the financial statements	196.0	215.3
Capital expenditure which has authorised under authority from the Orbit Board but has yet to be contracted for	141.2	109.0
	337.2	324.3

The Association expects these commitments to be financed with:

	2025 £m	2024 £m
Social housing and other grants	55.4	52.5
Surpluses and borrowings	281.8	271.8
	337.2	324.3

26. Contingent liabilities

As at 31 March 2025, there were £36.3 million contingent liabilities within the Association (2024: £36.7 million).

Stock acquisitions previously undertaken include original government grant funding of £36.3 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 2025 the Association was committed to making the following minimum future payments in respect of operating leases other than land and buildings:

	2025	2024
	£m	£m
Leases which expire		
Within one year	0.6	0.6
Within two to five years	1.9	1.1
After five years	0.2	0.3
Total	2.7	2.0

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 2025.

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 £29,000 (2024: £17,000). The board members had paid £2,000 in advance as at 31 March 2025 (2024: £1,000).

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

	2025 Units	2024 Units
<u>Social</u>		
Social Rent General Needs	24,147	24,186
Affordable Rent	6,656	6,527
Supported Housing:		
Social Rent Supported Housing	3,283	3,315
Affordable Rent Supported Housing	167	167
Care Homes	14	14
Low Cost Home Ownership (LCHO)	55	59
Total Social Housing Units (excluding Leasehold)	34,322	34,268
Leasehold	1,732	1,709
Total Social Housing Units	36,054	35,977
<u>Non-Social</u>		
Market rent	195	194
Non-social Leasehold	168	167
Retained Freehold	2,116	1,986
Commercial units	15	12
Total Non-Social Housing Units	2,494	2,359
Total Social and Non-Social Housing Units	38,548	38,336
Disclosure note:		
Units owned and / or managed	46,543	45,921
Units managed by others	475	504

71 retained freehold properties were excluded from the prior year. This has been updated in the current year.

31. Number of units under development at end of year

	2025 Number	2024 Number
General Needs	637	679
Total Social Housing units	637	679

32. Pension costs

Deficit in pension scheme at 1 April 2024 and 31 March 2025 £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 (2024: £9,000).

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 2023/24. At the end of 2024/25 the funded surplus increased to £2,848,000. Consistent with prior years we have not recognised this surplus.

Housing Association entered into a Deferred Debt Agreement with KCC in 2022 which expires in 2032.

The Virgin Media case

On 25 July 2024 the Court of Appeal dismissed the appeal in the case of ‘Virgin Media Limited v NTL Pension Trustees II Limited and others’. The appeal was brought by Virgin Media Limited against aspects of the High Court’s ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court’s ruling. The ruling may have implications for other UK defined benefit plans which were contracted out of the state second pension between 1997 and 2016 (the period within the scope of the 2023 ruling). We understand that HM Treasury is currently assessing the implications for all public service pension schemes, and that there is currently no firm conclusion on whether the LGPS is affected. The Department for Work and Pensions published an announcement on 5 June 2025 noting the plan to introduce new legislation in response to this ruling. The legislation will allow affected pension schemes to retrospectively obtain written actuarial confirmation that historic changes to scheme rules met the required standards. We will continue to monitor developments and follow any guidance issued by Government but are satisfied that no adjustment to the LGPS scheme is necessary or appropriate at this time.

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 2022. 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 £0.5 million and a funding level of 105%.

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

	2025	2024
Rate of increase in salaries	3.90%	3.95%
Rate of increase in pensions in payment and deferred pensions	2.90%	2.95%
Discount rate applied to scheme liabilities	5.75%	4.90%
Inflation assumption – CPI	2.90%	2.95%
Inflation assumption – RPI	3.25%	3.30%

The estimate of the duration of the employer liabilities is 13 years.

Orbit Housing Association Limited
Notes to the Financial Statements
Life expectancy from age 65 (years)

		2025 Number	2024 Number
Retiring today	Males	20.7	20.8
	Females	23.3	23.3
Retiring in 20 years	Males	22.0	22.0
	Females	24.7	24.7

Scheme assets	2025 £m	2024 £m
Equities	5.5	5.6
Government bonds	0.6	0.7
Other bonds	1.4	1.4
Property	0.8	0.9
Other – cash	0.4	0.2
Absolute Return fund	0.5	0.5
Other	0.5	0.4
Total fair value of assets	9.7	9.7
Present value of scheme liabilities	(6.8)	(7.7)
Total asset	2.9	2.0
Impact of asset ceiling	(2.9)	(2.0)
Net pension asset / (liability)	-	-

Statement of financial position at 31 March 2025

	2025 £m	2024 £m
Present value of the defined benefit obligation	6.8	7.7
Fair value of fund assets (bid value)	(9.7)	(9.7)
Impact of asset ceiling	2.9	2.0
Deficit	-	-
Present value of unfunded obligation	-	-
Net defined benefit liability	-	-

Scheme liabilities

	2025 £m	2024 £m
Opening defined benefit obligation	7.7	7.8
Service cost	-	-
Interest cost	0.4	0.4
Change in financial assumptions	(0.9)	-
Change in demographic assumptions	-	(0.1)
Experience loss/(gain) on defined benefit obligation	-	-
Estimated benefits paid net of transfers in	(0.4)	(0.4)
Closing defined benefit obligation	6.8	7.7

Reconciliation of opening and closing balances of fair value scheme assets

	2025	2024
	£m	£m
Opening fair value of scheme assets	9.7	9.8
Interest on assets	0.5	0.4
Return on assets less interest	(0.1)	(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	9.7	9.7

Analysis of amounts charged to statement of comprehensive income

	2025	2024
	£m	£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

	2025	2024
	£m	£m
Return on fund assets in excess of interest	(0.2)	(0.1)
Change in financial assumptions	0.9	-
Effects of change in demographic assumptions	-	0.1
Changes in impact of asset ceiling	(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 £79.3 million (2024: £83.3 million) to Orbit Homes (2020) Limited for the purchase of housing property assets, £3.3 million (2024: £3.9 million) in project management fees and has an outstanding creditor balance with Orbit Homes (2020) Limited of £6.1 million (2024: £8.4 million) and outstanding debtor balance of £nil (2024: £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 £29.2 million (2024: £24.5 million) and fees of £4.4 million (2024: £3.9 million) and has an outstanding debtor balance of £nil (2024: £nil) and creditor balance of £18.2 million (2024: £17.4 million). The allocation of these costs is based upon the level of debt required and secured by the housing property held in the Association.

33. Non-consolidated management arrangements (continued)

The Association also paid interest costs of £26.3 million (2024: £26.3 million) and fees of £0.7 million (2024: £0.7 million) to Orbit Capital plc and had an outstanding debtor balance of £nil (2024: £nil) and creditor balance of £6.8 million (2024: £6.2 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.