

Orwell Housing Association Ltd

Report and Consolidated Financial Statements

Year Ended 31 December 2024

Co-operative and Community Benefit Societies Act 2014
Registration No 16460R

“Together we make a difference”



Annual report and financial statements for the year ended 31 December 2024

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ORWELL HOUSING ASSOCIATION LIMITED

Officers and General Information

Board (elected unless otherwise stated)

Helen Galbraith – Chair – C R
 Dayle Bayliss – Vice-Chair – A R
 Jeanette Alfano – C R (retired 27 March 2024)
 Stuart Appleby – C
 Joanna Ballman – A (appointed 27 March 2024)
 Tom Brown – C
 Scott Hayward – C (appointed 24 July 2024)
 Pamhi Mulambo - A
 Ian Pinches – A R
 Brett Rennolds – A R
 Barbara Thorndick – A C (retired 27 March 2024)
 Stephen White – A C

Committee membership key

Audit and Risk Committee – A
 Customer Insight Committee - C

Remuneration and Nominations Committee - R

Chief Executive

Wendy Evans-Hendrick

Director of Customers and Communities

Tony Long

Director of People and Culture

Michelle Harrison

Director of Finance

David Hall

Registered office

Crane Hill Lodge, 325 London Road, Ipswich IP2 0BE

Bankers and Funders

Lloyds TSB Bank plc, 13 Cornhill, Ipswich IP1 1DG

Affordable Housing Finance, 3rd Floor, 17 St Swithin's Lane, London EC4N 8AL

bLEND Funding Plc, 3rd Floor, 17 St Swithin's Lane, London EC4N 8AL

Handelsbanken, The Maltings, Ipswich IP1 1SB

Lloyds TSB Bank plc, 10 Gresham Street, London EC2V 7AE

Royal Bank of Scotland plc, 250 Bishopsgate, London EC2M 4AA

ORWELL HOUSING ASSOCIATION LIMITED

Officers and General Information (Continued)

Solicitors

Anthony Collins, 134 Edmund Street, Birmingham B3 2ES
Devonshires, 30 Finsbury Circus, London EC2M 7DT
Mills and Reeve, 1 St James Court, WhiteFriars, Norwich NR3 1BR
Trowers & Hamlins, One Snowhill, Birmingham, B4 6GB

External Auditor

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Internal Auditor

tiaa, Artillery House, Fareham, PO14 1AH

Social Housing Regulator

Registration No L0028

Co-operative and Community Benefit Society

Registration No 16460R

ORWELL HOUSING ASSOCIATION LIMITED

Chair's Report for the year ended 31 December 2024

2024 was a year of significant change at Orwell Housing Association as we welcomed David Hall as Director of Finance and Tony Long as Director of Customer and Communities. The Board are delighted at how the new executive team has come together quickly and effectively to make a real, positive difference at Orwell.

The Housing Association sector faced an exceptionally challenging financial environment in 2024. The sharp rise in the cost of materials and components for property improvements and repairs far outpaced rental income. Capacity pressures within the Orwell Repairs Service also led to an increase in void times as properties became vacant.

Despite this backdrop, decisive action during the year helped to mitigate these pressures to deliver an improved surplus to reserves, excellent home safety compliance and further progress towards our net zero goals. Development activity also continued apace delivering 69 much needed homes to meet a range of customer needs, including new affordable homes through the regeneration of a site in Ipswich and the acquisition of four new properties in South Norfolk for residents fleeing domestic abuse. Hearing the voice of our customers and communities is vital to the Board in shaping the future strategy for Orwell. The Orwell Residents Group are to be commended for their excellent work looking at housing management, voids and communications, which provided valuable oversight and input into how we engage with customers and shape our services.

The Board continually strives to improve for the benefit of the association and our customers. In 2024, we welcomed Altair to lead an External Governance Review and were pleased with the positive feedback and constructive recommendations. Similarly, Wendy and the executive team are committed to making Orwell a great place to work. We were proud to see this recognised as the first Suffolk employer to achieve the Gold Good Health at Work award.

I would like to thank all of Team Orwell' for their dedication and resilience through a period of significant challenge and change. The year ended on a high with the successful agreement of new loan facilities which take effect in the new financial year. This is a significant accomplishment reflecting lenders' confidence in Orwell and strengthens our financial position and ambitions for planned development and investment in existing homes in 2025 and beyond.

DocuSigned by:

A handwritten signature in black ink that reads "Helen Galbraith".

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Helen Galbraith, Chair

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024

Principal Activities

Orwell Housing Association Limited is a Co-operative and Community Benefit Societies Act company and a Registered Provider of housing with a head office based in Ipswich, Suffolk. Orwell has a diverse housing stock located throughout East Anglia which is reflective of the two main areas of focus which are:

- General needs housing, providing affordable homes for a wide range of people in housing need; and
- Supported housing, where a home, care and/or support service are provided primarily to young people, older persons, people with learning difficulties and women fleeing domestic abuse.

Orwell works in partnership with other social landlords and stakeholders committed to investing and supporting the diverse and sustainable communities in which it works. One such group is Independent East, with four other locally based Housing Associations, Broadland Housing Association, Freebridge Community Housing, Havebury Housing Partnership and Saffron Housing Trust who share the common aim of investing in the local Suffolk and Norfolk community. The members of Independent East are committed to working together to improve efficiencies and share learning and resources, whilst remaining independent and best able to meet the needs of their own local communities. As a member of Placeshapers and Build East, Orwell is networked with both regional and national community based social housing providers, all of whom believe in putting the customer at the heart of the organisation and building homes that respond to the needs of the local communities that they serve.

Orwell undertakes its own development of social housing and market sale properties and also provides development services to other organisations. Orwell is an owner member of Eastern Procurement Limited, a company formed to enable organisations with similar buying needs, to benefit from joint procurement initiatives, improved quality and lower costs.

Orwell has a 100% owned subsidiary company, Orwell Homes Limited, and the results of the company are consolidated within these financial statements and shown under the heading of Group.

Operating Review

Objectives

Orwell's Vision is that everyone has a safe place to call home and the care and support they need to live their best life.

The direction of Orwell during the year is as set out in Orwell's Strategic Plan 2023-2027 and the key strategic objectives included in that document are as follows:

- People focused: Put our customers, our communities and our people at the heart of our organisation.
- Ambitious: Be ambitious and invest in our communities and our people. Be a great organisation and employer and somewhere people feel proud to live and work.
- Collaborative: Know our customers and provide a service driven by their voice.
- Effective: Improve our efficiency, effectiveness and sustainability.

The Board has agreed specific targets and measures to assess the success of the strategic plan and track progress. It also agrees an annual delivery plan to support the achievement of the longer term strategic objectives. Performance against all Strategic Plan targets is reviewed by the Board at each meeting.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

Objectives (continued)

The key objectives of Orwell Homes Limited are as follows:

- To utilise the skills that already exist within Orwell Housing Association Limited to develop suitable sites providing residential housing for sale on the open market;
- To provide construction services to the parent company Orwell Housing Association Limited; and
- To gift aid profit to the parent company, Orwell Housing Association Limited.

Performance against objectives is reviewed at every meeting, by the Boards of Orwell Housing Association Limited and Orwell Homes Limited.

Delivery against objectives

This year has seen a change in Government and with this a renewed emphasis on housing and affordable housing in particular, which is welcomed. The Government has set the expectation of provision of up to 1.5 million new homes during the course of this parliament and has begun to introduce funding towards this.

Whilst inflation has reduced from the peaks in recent periods, it remains ahead of the government long term target and is likely to do so for several years. The increase in rental income in 2024 was 7% for most homes and up to 11% in supported housing, which was above inflation for the first time in several years. This has started to help some improvement in margins and financial resilience which has been under pressure for a number of years. The financial position for the housing sector overall however remains challenging and the level of interest cover in particular continues to be under pressure. This is similar for Orwell and the Board took steps during the year to renegotiate covenants with its principal lenders to improve capacity for future investment and provide improved resilience. During the year the Board arranged over £37 million of new long term bank finance to support the continuing programme of investment in new and existing homes, increasing the number of homes available and improving their energy performance.

Orwell employs over 800 people across all of its activities, with the majority being involved within the care and support activities. This has long been a significant element of our business and core to our offer and the vision of the organisation. In the year the Government increased the National Minimum Wage (NMW) well above general inflation with a further increase proposed for 2025. This financial support for the lower paid members of our team is welcomed but it is key that funding also keeps pace to sustain these services. Coupled with changes that the new Government has made to employer National Insurance, this will have a significant impact on the costs and viability of these core activities and makes funding decisions in respect of these critical to the long term viability of these fundamental services.

Throughout this period the expectations and demands upon the sector from customers and from Government have continued to increase. The Social Housing Regulation Act came into effect during the year, increasing the expectations of consumer-focused regulation and looking ahead, this will continue to increase with the implementation of Awaab's Law. All providers including Orwell need to continue to be diligent and innovative and work well with our customers to meet these requirements.

Despite these challenges, we have worked hard to ensure that our service continues to be customer focused, and we remain committed to putting customers and colleagues at the heart of Orwell, thereby ensuring that the decisions made continue to improve outcomes and customer and colleague satisfaction and engagement.

The business remains strong despite the challenging environment and whilst this combination of income control and increased costs have led to pressure on financial performance, Orwell maintains a solid business base and the Board has forecast improvement in financial performance through the short term. We remain focused on improving value for money across the business and continuing to develop new services to help meet the ever-increasing demand for our affordable homes and our care and support services.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

The Board recognises that care and support activities generate greater social value outcomes than financial returns alone. The Board considers care and support activities to be a core element of the overall strategic housing and support offer and are committed that this should continue to be so. The Board has made the strategic decision to maintain and develop these services and considers that these services must continue to be viable and must provide reasonable contribution to the group as a whole.

Orwell has a strong record in the development of new homes and in 2024 we completed 69 new homes, 59 for rent and 10 for shared ownership. The homes are across a number of sites both managed directly by Orwell Homes Limited, including 15 affordable homes at Prince of Wales Drive in Ipswich, and also working with local developers under Section 106 agreements. This fell below our plan for the year and was impacted by a number of strategic and programme matters with some planned completions being delayed into 2025. Amongst the new homes completed were 4 properties developed in partnership with Norfolk CC and South Norfolk DC to provide homes with support for women fleeing domestic abuse. The homes are supported by outreach services from our existing refuge facilities. We are seeking DAHA accreditation for the services that Orwell provides.

We have been working with Broadland and Great Yarmouth BC to draw up plans to regenerate a large town centre brownfield site and have submitted a planning application which will bring about 82 new affordable homes in a sustainable, town centre location, revitalising a currently neglected industrial area. The scheme will bring about wider economic benefits to the Town Centre. Separately, we have been working in partnership with Needham Market & Barking Almshouses to successfully complete a lease to manage six new almshouse bungalows in Creting St Mary. These have been occupied by local families who have been identified by the charity as in need of accommodation.

Orwell continues to be an investment partner with Homes England and is in contract to deliver the Affordable Homes Programme 2021-26 via Continuous Market Engagement. Orwell also remains the lead partner for the e² development consortium which includes Ipswich Borough Council and East Suffolk Council. Grant of £1.99 million was received for Orwell and £10.5million for e² partners to support the development of new homes as part of continuous market engagement.

Orwell also has a market sale programme through its wholly owned subsidiary Orwell Homes Limited. During the year, Orwell Homes Limited continued to provide construction services to Orwell Housing Association, resulting in a saving to the Group of approximately £85,000. Since 2016, Orwell Homes Limited has retained the profits earned within the company to enable it to build reserves and to contribute to the financing of open market development. The mixed tenure development opportunities that Orwell Homes brings to the Group enable a wider strategic development offer and enable the Group to access and develop sites that may not be available to Orwell Housing alone.

Sales of 15 homes for shared ownership were completed during the year from our sites in Felixstowe, Elmsett, Ipswich, Laxfield and Wenhaston. Only one property remained unsold at the end of the year. We completed the final 4 open market sales from our scheme in Cockfield. We have also developed a programme for strategic sale of existing property that no longer meets our strategic priorities, either through change in need, viability or similar factors. We completed three sales during the year and have identified a further three properties for disposal in 2025.

Providing a safe place to call home is a key priority in our Vision. We manage programmes of inspection and renewal to ensure that we remain compliant with the safety requirements and that Orwell customers can feel and be safe in their homes. We maintain 100% compliance on gas, legionella, fire and lift inspections, and 99.8% for asbestos and 99.1% for periodic electrical inspections during the year. Where we do not have full compliance, we are taking action to access properties and address this. Within our planned works improvements programme we upgraded 64 boilers, 17 air source heat pumps and 86 doors during the year to improve safety and performance. We also replaced 65 kitchens, 81 bathrooms and replaced the windows to 96 homes to ensure that we maintain decency of our homes.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

We have improved our level of stock survey inspections to now cover over 95% of our properties and to confirm that 100% of homes satisfy the Decent Homes Standard. The inspections are vital to ensure that our planned improvement programmes address the most important aspects of safety and comfort in our homes for our customers. We are pleased that 72% of our properties are already at or above the EPC C standard. We have successfully secured funding in Wave 2 and Wave 3 of the Warmer Homes Programme and this will enable us to improve a proportion of our homes to EPC C standard. We have undertaken significant work on Wave 2 homes during the year and improved a further 55 homes with installation of new heating, insulation, ventilation and solar panels. We are committed to achieving net zero by 2050 and have set a target for all properties to achieve an EPC “C” rating by 2030. This strategy encompasses a comprehensive approach, including energy efficiency upgrades, renewable energy installations, and sustainable building practices. We are actively engaging our residents in energy reduction initiatives, aiming to foster a community-wide culture of sustainability. In 2023 Orwell became a member of the Carbon Charter and was awarded bronze accreditation. Our ambition is to now achieve silver accreditation. We have achieved a reduction in business carbon emissions of 6.5%, exceeding our target of 5% for the year.

We have a Damp and Mould Policy in place, and we prioritise the health and wellbeing of our residents by implementing a proactive approach to the management of damp and mould. This includes regular inspections, prompt maintenance responses, and education on ventilation and moisture control. Our goal is to ensure a safe and healthy living environment for residents.

Orwell benefits from an empowered and motivated colleague base and their continued commitment and dedication is recognised as vitally important to future growth plans. We continue to build upon our track record as an employer of choice within the region and have been recognised with a Platinum level award from the Best Employers Eastern Region engagement survey, awarded the positive workplace culture and colleague engagement and satisfaction. We are continuing to offer apprenticeship programmes and 21 colleagues successfully completed apprenticeship programmes and 67% of these achieving merit or distinction outcomes.

Orwell continues to be accredited by Housing Diversity Network (DNA Equality, Diversity and Inclusion accreditation) to demonstrate our commitment to inclusivity and our support of customers and employees with diverse needs. We have also worked with Papworth Trust to achieve level 3 accreditation as a Disability Confident Leader. We recognize the importance of a diverse workforce and have established an Equality, Diversity and Inclusion group to support our colleagues. We hold regular Knowledge Café sessions to raise awareness and increase understanding around diverse topics. We are pleased to achieve the Pledge Pioneer accreditation as part of the LGBTQ+ Pledge programme to demonstrate our commitment to provide safe homes for LGBTQ+ residents, alongside sponsoring, with Independent East partners, a role within Stonewall Housing to focus on administering and embedding the pledge.

Orwell is committed to providing an inclusive, fair and equitable organisation where there is equal opportunity for all within our diverse workforce. Reasonable adjustments will be made wherever possible to support accessibility. All colleagues have regular support and supervision discussions and performance reviews, where individual learning needs and development opportunities are discussed alongside feedback around any additional support that may be beneficial. Orwell's aim is to have a healthy, safe and well group of colleagues providing the very best support for our customers and we have agreed a health, safety and wellbeing strategy. We were delighted with this being recognised by becoming the first Suffolk based employer to achieve the Gold level Good Health at Work award. Our gender pay gap for 2024 was 4.4% and our CEO / median staff pay ratio was 6.57.

We have continued to offer and expand wellbeing programmes for our colleagues, including support of physical and mental health and wellbeing. These include a number of wellbeing roadshows, a mental health first aider programme, and a particular focus on both Men's and Women's health issues include menopause support, mental health and carer assistance supported by wellbeing champions. Alongside this we have increased our benefits to include a Health Cash Plan and lifestyle discounts for our colleagues.

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Strategic report for the year ended 31 December 2024 (Continued)

Effective engagement is fundamental to understanding our customer service impact and driving improvement. Our customer engagement and insight team have supported the Orwell Residents Group (ORG) to scrutinise performance, carrying out three deep dive reviews in 2024 covering void property, housing management and customer communications. The Group also scrutinise key performance measures quarterly.

We have a Complaints Handling Assessment Team (CHAT), involving customers from the ORG, that review complaint performance on a quarterly basis and hold us to account on our handling and resolution of complaints. Learning and feedback from this process has led to introducing new complaints management procedures and policy improvements. We received 199 complaints in 2024, compared to 183 in 2023, and worked with customers to resolve these, addressing 77% at stage 1 and 93.9% within our published timescales. Seven complaints progressed to the Housing Ombudsman during the year and four were upheld; we have conducted learning reviews from each to further improve our approach.

We published our first results on the Tenant Satisfaction Measures (TSMs) this year, with strong overall satisfaction (TP01) above median Low Cost Rental Housing (LCRA) at 76.2%. In addition, we also posted above upper quartile LCRA results for satisfaction that the home is safe (TP05) at 85.5% and agreement that the landlord treats tenants fairly and with respect (TP08) at 83.8%. We will soon have our 2024/2025 results and have been tracking them throughout the year. We have seen improved satisfaction from 2023/2024 on Satisfaction that the landlord listens to tenant views and acts upon them (TP06) and Satisfaction that the landlord keeps tenants informed about things that matter to them (TP07). We have worked hard on improving our complaints performance in 2024 and it is pleasing to see that Satisfaction with the landlord's approach to handling complaints (TP09) is also on an upward trend.

It is a key priority to enable our customers to sustain their tenancy with us. During the year our tenancy sustainment service supported 180 customers and in every case they were able to maintain their tenancy. We launched tenancy training for new customers, holding six new customer workshops over the year covering essential matters around wellbeing, money management, life skills and home management; feedback was positive and over 10% of all new Orwell customers have completed this. As well as financial support from Orwell directly, and our Make a Difference fund supported by our colleague activities, we also work with partners to provide further financial support, helping to provide essential equipment. The team also provide advice and support to assist with benefit entitlement and other financial assistance. Through effective engagement with customers we have been able to reduce arrears for our general needs customers to 2.6% by the end of the year. In 2025 we will be launching a Community Champion programme where residents can come forward to help us understand what is important in their communities to help shape future placemaking and community investments. In 2024 we launched an online engagement platform and held digital workshops to help understand what was important to our customers in terms of our digital offer. We are looking to expand this area in 2025 and will be consulting with our residents on which areas they would like us to focus on.

We have an agreed Digital Strategy and are continuing to implement key technologies and systems to deliver and improve the resilience and operating efficiency of our technology. We are investing in improving our customers' ability to access services including the online engagement platform launched during the year. We have set further targets to continue to increase the uptake for this year. We implemented a full human resources and payroll information system during the year, providing more integrated and effective support for people management across the business. Our defence against cyber threat and data security continues to evolve and improve.

Employee involvement

Orwell strongly believes in the importance of keeping colleagues informed, engaging and involving them in decision making wherever possible and practicable. This information sharing takes place in various forms: through one to ones and supervisions, team meetings, through the workplace social media platform with posts and videos, and via 'Employee Voice' (Orwell's Employee Forum). In respect of matters likely to impact employees' interests, discussion and consultation takes place through 'Employee Voice', as well as through specific consultation and special interest meetings where relevant. Discussions relating to both Orwell's Strategic Plan and Financial Performance take place at Employee Voice meetings and are standing items on the quarterly agenda.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

Operating Performance And Value For Money

Approach to Value for Money

Orwell's Value for Money (VfM) Strategy balances financial health with the vision of making a difference for all residents and stakeholders.

As a social purpose business, the aim of Orwell is to deliver measurable benefits to all and demonstrate that Orwell's skills and resources are being used effectively and efficiently. However, the pursuit of efficiency is not simply an exercise in cost cutting – financial health is not an end in itself but complements and reinforces Orwell's social purpose of making a difference, which runs through all the Rules, Strategic Plan and is fundamental to Orwell.

A holistic and balanced approach to VfM is taken, that supports the fundamental social purpose and strategic intent of Orwell. The interconnected nature of this approach recognises both social and financial value and balances the existing and future needs of Orwell's residents with the wider social value delivered, such as meeting future housing need and managing environmental impact.



A significant proportion of Orwell's activities are within the care and support activities, they represent approximately 20% of the properties owned and managed but employ over 70% of Orwell's total employee team. These services are a fundamental element of the strategic priorities for Orwell. The Board is committed to these activities and recognises that they offer significantly greater social value outcomes for the individuals and families that Orwell supports than financial value alone. The Board also recognises that the delivery of these has an impact of the overall financial performance that Orwell achieves when compared to peers. The Board is committed to continuing to support and develop these services and strives to ensure they are delivered in a manner that optimises the overall value provided.

VfM framework

The vision of Orwell with regard to VfM is a holistic and customer-centric one, delivering quality housing and support and care services, working with stakeholders to put the ethos of "Together we make a difference" at the centre of everything that is done, in a way that is:

- Innovative
- Cost effective
- Maximises the return on investments.

VfM is focused around delivering Orwell's Strategic Plan and is reliant upon meeting the ten VfM objectives included in that plan. The VfM Framework provides the structures, roles and responsibilities, as well as a description of the processes that will allow Orwell to adhere to its ten VfM objectives.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

Value for Money performance

To demonstrate delivery of Value for Money, this report measures performance against the Regulator of Social Housing's (RSH) mandatory VfM Metrics, Sector Scorecard metrics and our own bespoke metrics.

As part of performance measuring, benchmark comparisons were carried out against the median score of a specially selected group of peers, comparable to Orwell, and regional and national groups. For all peer and comparison groups, metric scores are sourced from 31 March 2024 audited financial statements filed with the Regulator for Social Housing for the global accounts and VFM monitoring for 2024, being the most up to date information available at the time of publication.

Further performance measuring looks at actual performance for 2020 to 2024, compared to target performance. Additionally, a look-forward 2025 target is also included.

The reporting demonstrates that there has been a widespread decline in performance in VFM metrics over recent periods, this has been seen in reduced operating margins, increased costs per unit of operation and reduced interest cover. This has been a result of the economic challenges experienced by all providers within the sector and indeed across other operating sectors, with increasing operating costs, increasing interest rates and reducing headroom. All providers including Orwell are required to work harder with less, in order to achieve our outcomes.

Peer Group

Orwell is a community-focused housing association, owning and managing approximately 4,000 homes in rural East of England and the biggest provider of support and care in Suffolk. This means that Orwell's offer is not typical of the sector and, as a result, performance may look very different, for example, from that of a much larger housing association operating exclusively in a built-up metropolitan area. Consequently, the selected peer group are similar, medium-sized organisations, with a significant proportion of their activity made up of care and support and sheltered housing for older people (HfOP). We have placed less emphasis on the geography and therefore a number of the peer group members are not based in the East of England. We have separately benchmarked against the East of England as a pool and the UK overall median values. Details of the peer group are shown in the table below:

Organisation	Units Owned/ Managed (Social)	Turnover (£,000)	% Stock in East of England	% Supported Owned/Managed	% Stock HfOP Owned/Managed
Orwell Housing	4,166	£46,003	100%	8%	12%
Honeycomb Housing Group	3,145	£19,958	N/A – West Mids based	5%	14%
Leeds Federated Housing	4,570	£30,550	N/A – Yorks & Humber based	4%	6%
Origin Housing	6,273	£69,630	21%	4%	6%
The Cambridge Housing Society	3,016	£30,169	100%	6%	7%
Trident Housing Association	3,282	£26,618	N/A – Midlands based	19%	13%
Tuntum Housing	1,611	£11,145	N/A –Midland based	6%	6%
Warrington Housing	1,300	£8,420	N/A – North West based	5%	12%
Westward Housing	7,462	£45,139	N/A – South West	4%	9%



ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

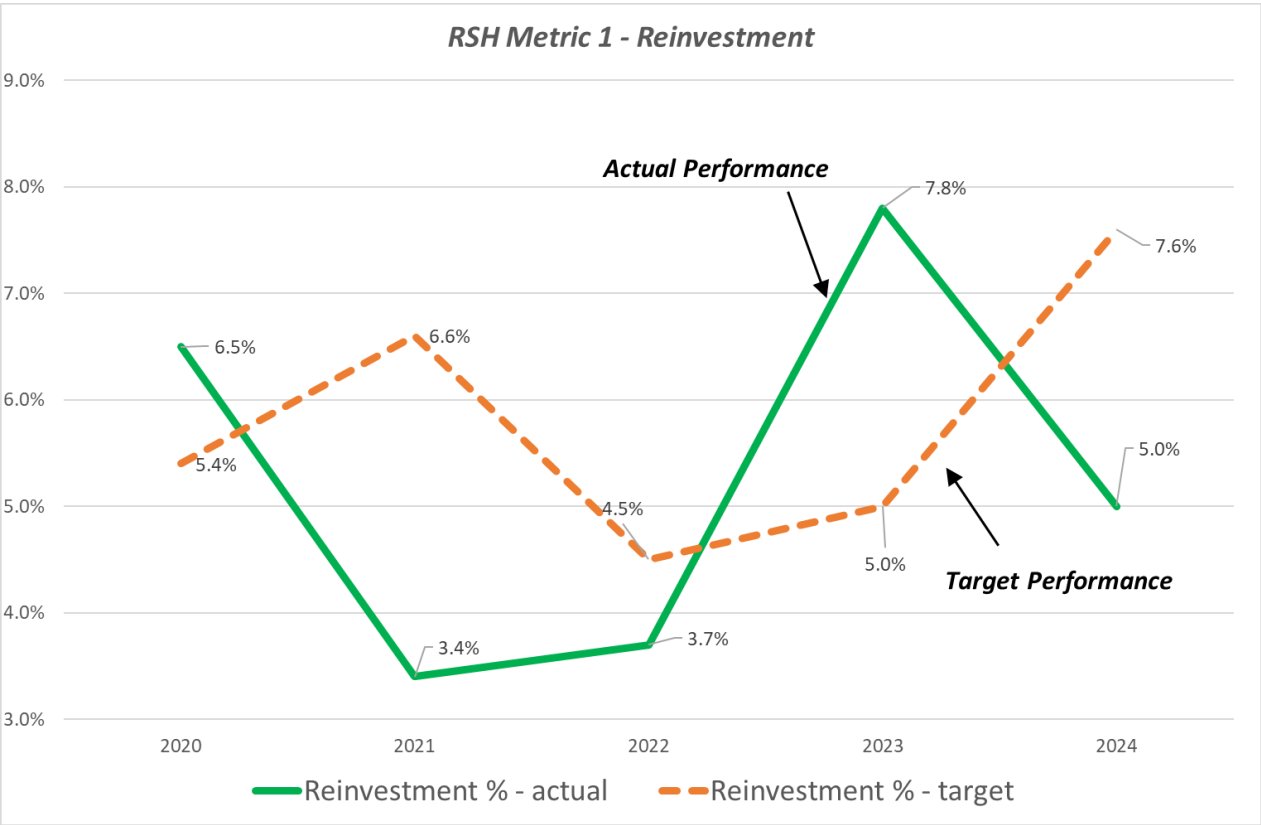
Regulator VfM metrics

The RSH Value for Money Standard and the associated Code of Practice, requires registered providers to report on a suite of defined performance metrics to measure economy, efficiency and effectiveness on a comparable basis across the sector. These metrics are shown below. Each includes a summary table of median outcomes for peer organisations for the most recent year ended March 2024:

1. RSH Metric 1 – Reinvestment %

This metric reflects investment in properties (capital spend on existing stock and on new stock developed or bought) as a percentage of the value of total properties held.

Orwell Housing	Peer group	East of England	Independent East	UK
5.0%	4.8%	9.8%	10.4%	7.4%



Orwell, has seen a reduced level of reinvestment at 5.0% compared to last year’s performance of 7.8%. Capital spend on existing stock has increased with a programme of works to improve EPC ratings on existing stock. Spend on new stock has reduced this year with only 69 completions occurring for the year and three sites delaying into 2025.

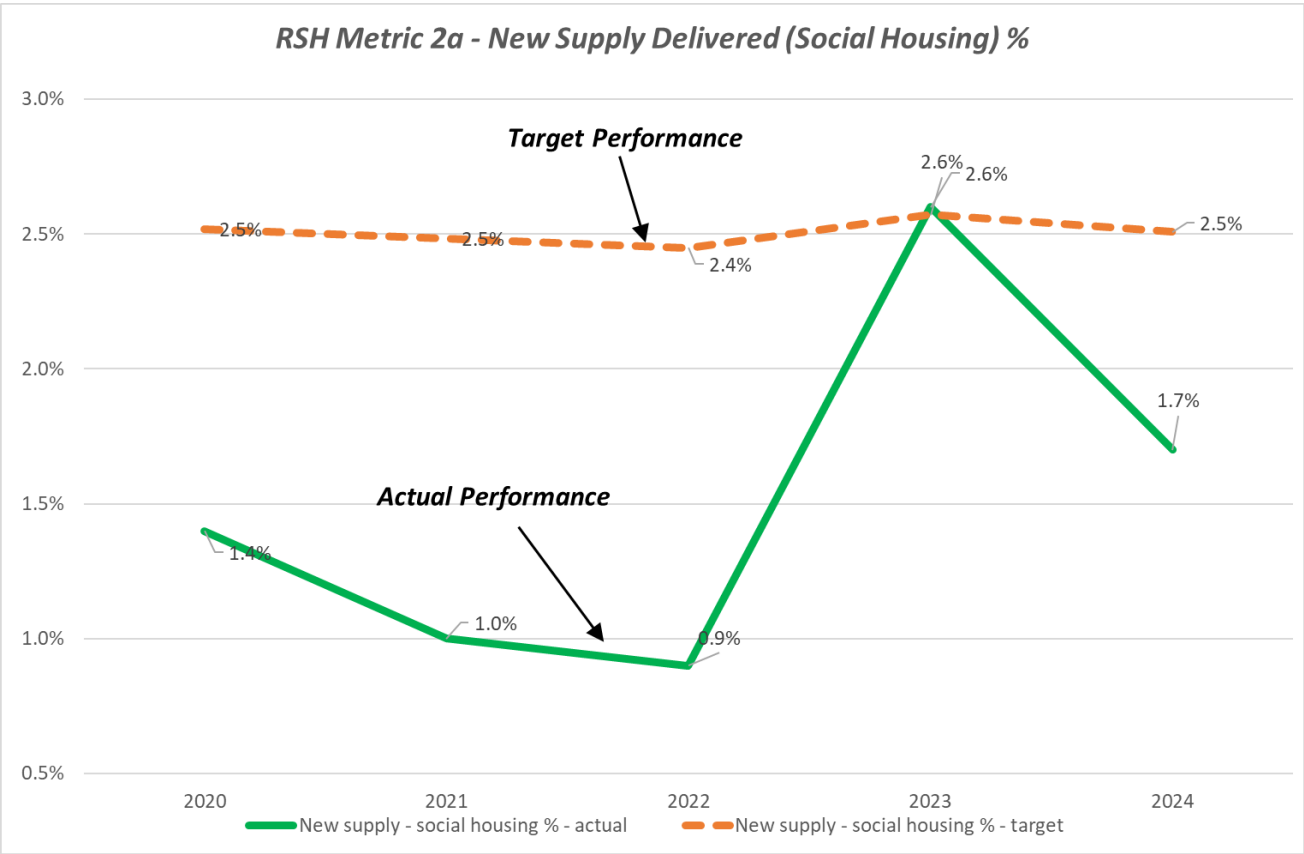


ORWELL HOUSING ASSOCIATION LIMITED
Strategic report for the year ended 31 December 2024 (Continued)

2a. RSH Metric 2a – New Supply Delivered (Social Housing) %

This metric reports on the number of new social housing homes that have been acquired or developed during the year as a proportion of total social housing homes owned at period end.

Orwell Housing	Peer group	East of England	Independent East	UK
1.7%	1.2%	1.9%	2.3%	1.4%



New supply of social housing has fallen in 2024 to 69 new homes completed in the period, 59 for rent and 10 for shared ownership sale. This was below target and driven by the larger proportion of S106 sites in the programme and some slippage experienced in that element of the programme. The long term target remains at 100 homes per year.

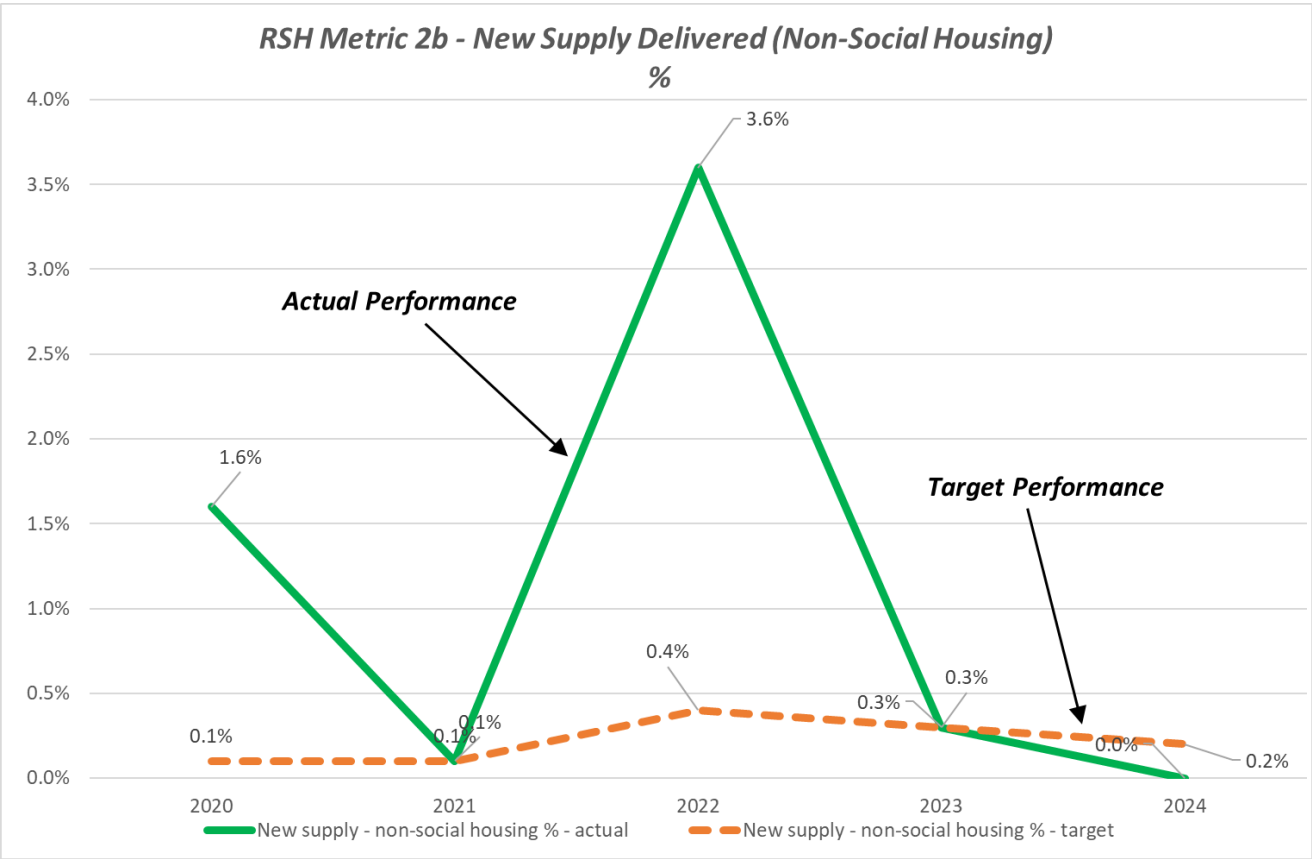


ORWELL HOUSING ASSOCIATION LIMITED
Strategic report for the year ended 31 December 2024 (Continued)

2b. RSH Metric 2b – New Supply Delivered (Non-Social Housing) %

This metric reports on the number of new non-social homes that have been acquired or developed during the year as a proportion of total social housing homes owned at period end.

Orwell Housing	Peer group	East of England	Independent East	UK
0.0%	0.0%	0.0%	0.0%	0.0%



There were no new homes completed for sale during the year and the focus was on sale of the remaining homes from the previous development by Orwell Homes Limited. Construction commenced during the year for 10 new homes. The target is for construction of 15 new homes per year going forward.

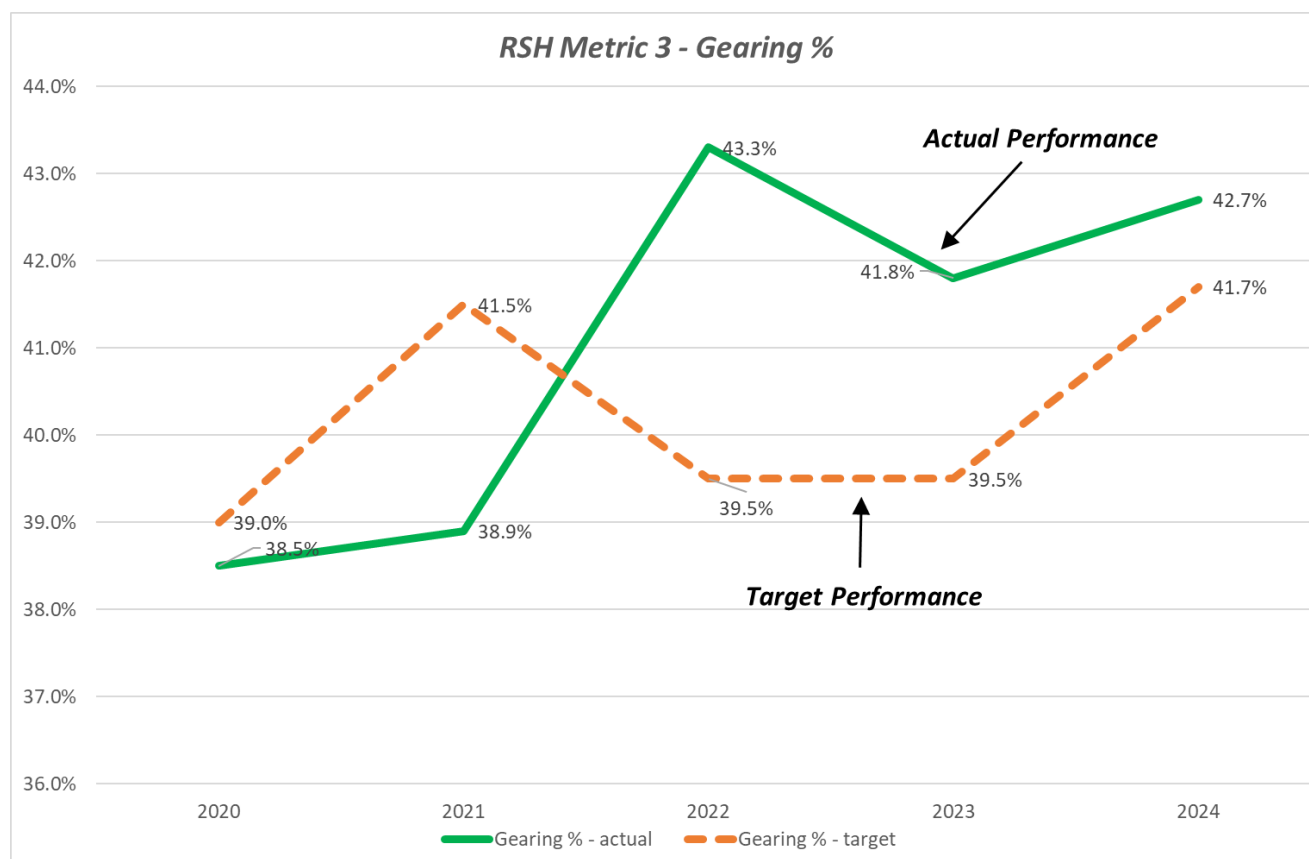
ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

3. RSH Metric 3 – Gearing %

This metric assesses how much of the adjusted assets are funded by debt and the degree of dependence on debt finance. It is often a key indicator of a housing association's appetite for growth.

Orwell Housing	Peer group	East of England	Independent East	UK
42.7%	45.5%	55.3%	55.3%	46.8%



Gearing ratio has increased over the year following new borrowing to fund the build programme and asset reinvestment. At 42.7%, whilst slightly above the target, it continues to demonstrate substantial capacity for ongoing development and investment and compares favourably with peer group and the other comparators.

The favourable level of overall gearing will provide headroom to support the funding required to continue the build programme and deliver Net Zero Carbon works.

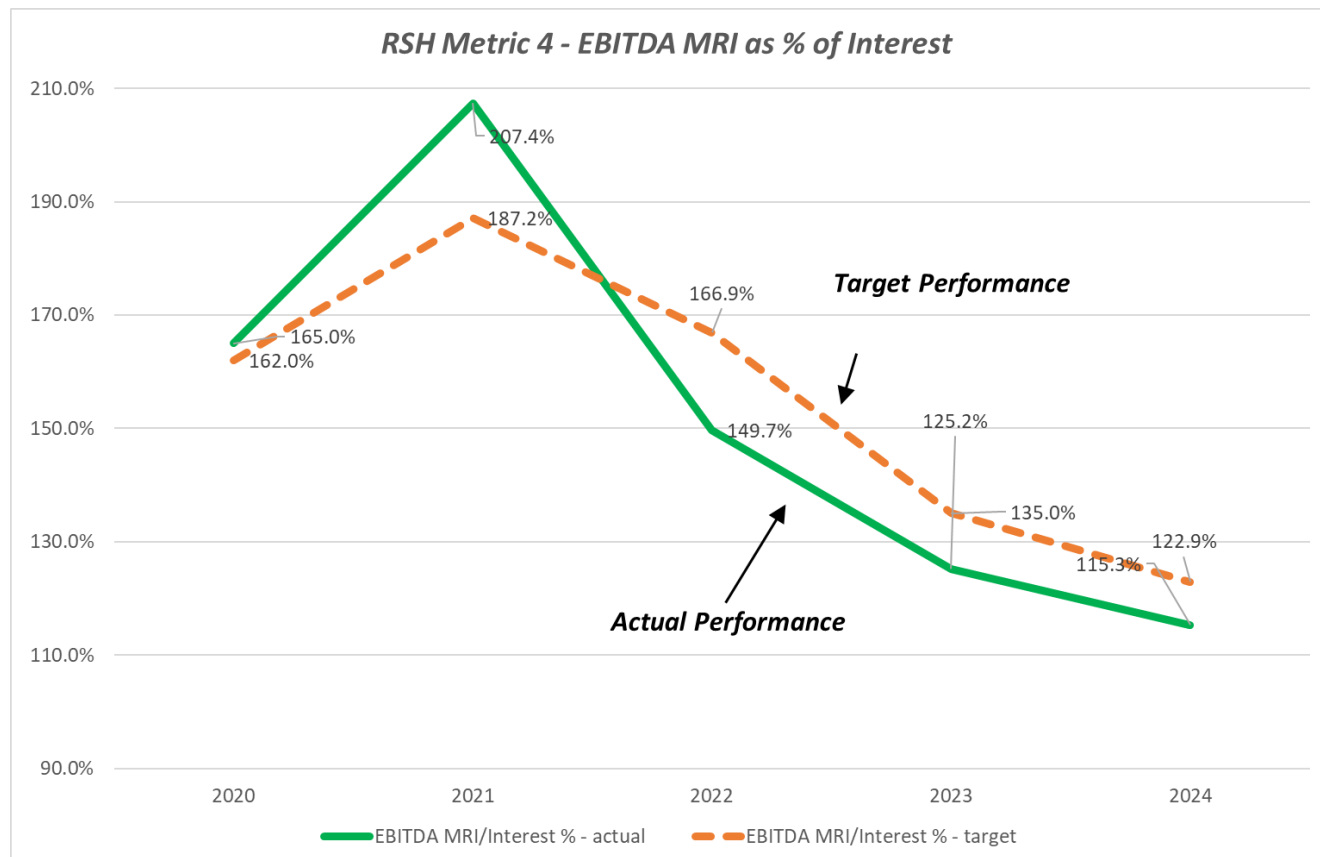
ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

4. RSH Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) as % interest

This metric is a key indicator of liquidity and investment capacity. It seeks to measure the level of surplus a registered provider generates to meet interest payments (the measure avoids any distortions stemming from non-cash depreciation charges).

Orwell Housing	Peer group	East of England	Independent East	UK
115.3%	100.5%	130.2%	125.0%	120.1%



EBITDA-MRI cover at 115.3% has continued to fall significantly. This results from a combination of factors; primarily market driven increases in operating spend on maintenance, utilities and agency staffing for care and support activities versus capped increases in rental income has led to a drop in operating surplus. Also in 2024 further investment was made into asset investment to meet EPC and reduced carbon commitments. This has been combined with significant increases in variable interest costs in the same period.

Strategic disposal of property that is no longer economic to retain has been used in part to support the asset investment and offset interest cover but this income is not included with the RSH metric measure.

Performance on interest cover covenants with lenders is satisfied and exceeds the Board's minimum threshold. Steps have been taken during the year to further revise interest cover covenants to exclude the MRI investment spend and ensure that interest cover remains adequate looking ahead.

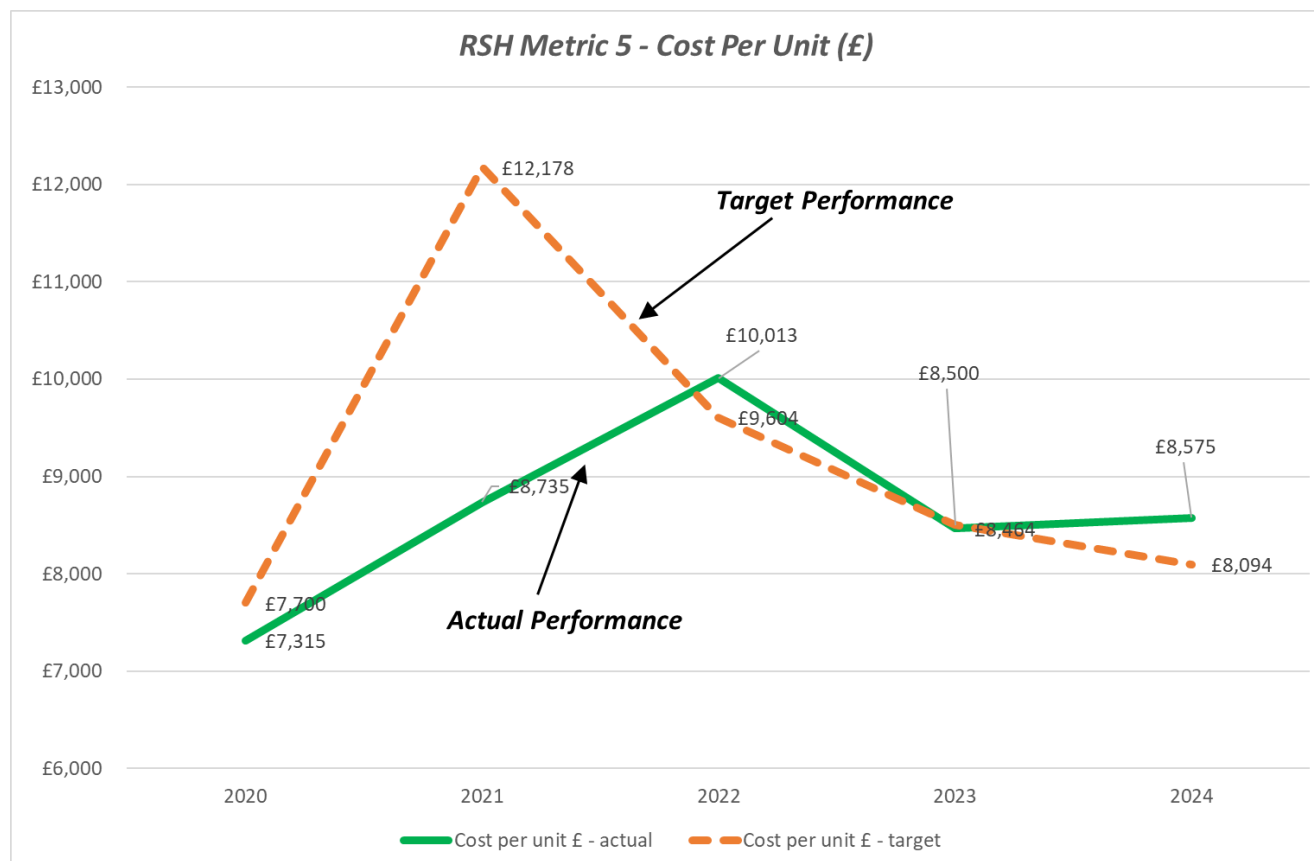
ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

5. RSH Metric 5 – Headline Social Housing Cost Per Unit (£)

This metric assesses the headline social housing cost per unit as defined by the RSH.

Orwell Housing	Peer group	East of England	Independent East	UK
£8,575	£5,376	£4,945	£4,612	£5,113

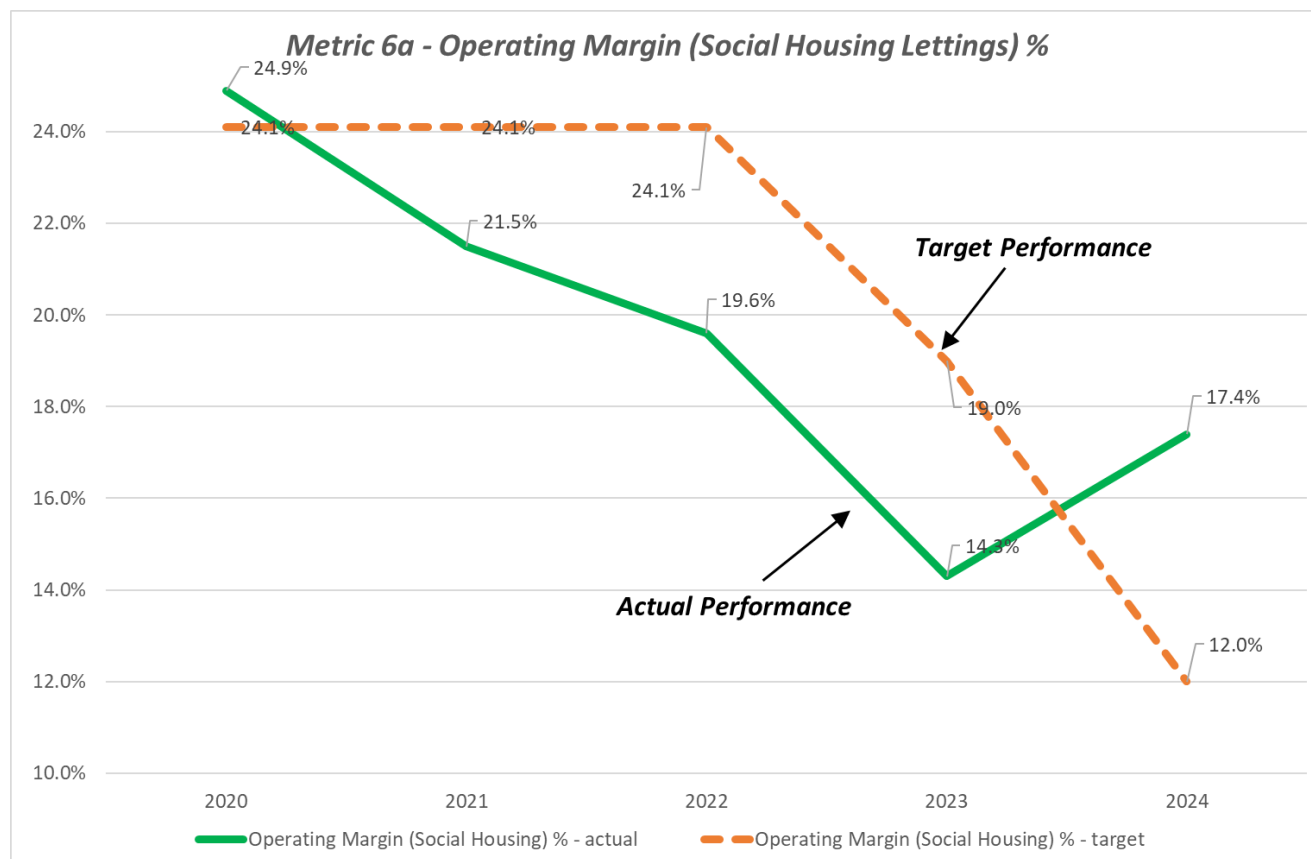


Calculation of this metric includes both support and care activities and also provision of development services (e²). Inclusion of these elements makes meaningful comparison very difficult as it makes Orwell's figures higher than they would otherwise be. A more reflective measure of cost per unit performance is included within this report under metric 8.

ORWELL HOUSING ASSOCIATION LIMITED
Strategic report for the year ended 31 December 2024 (Continued)
6a. RSH Metric 6a - Operating Margin (Social Housing Lettings) %

This metric demonstrates the profitability of Social Housing operating assets before exceptional expenses are taken into account, excludes both care and support activities and also provision of development services (e²), thereby providing more meaningful comparison.

Orwell Housing	Peer group	East of England	Independent East	UK
17.4%	17.2%	25.3%	21.9%	21.0%



Performance at 17.4% is improved from prior year, and above target due to the sales proceeds received, but below peers. This has been impacted particularly by a cumulative deficit in rent growth (including caps) against inflation. It also reflects ongoing challenges presented by the current economic circumstances in utility costs have and in addition material cost pressures and direct labour shortages which have impacted upon responsive repairs expenditure.

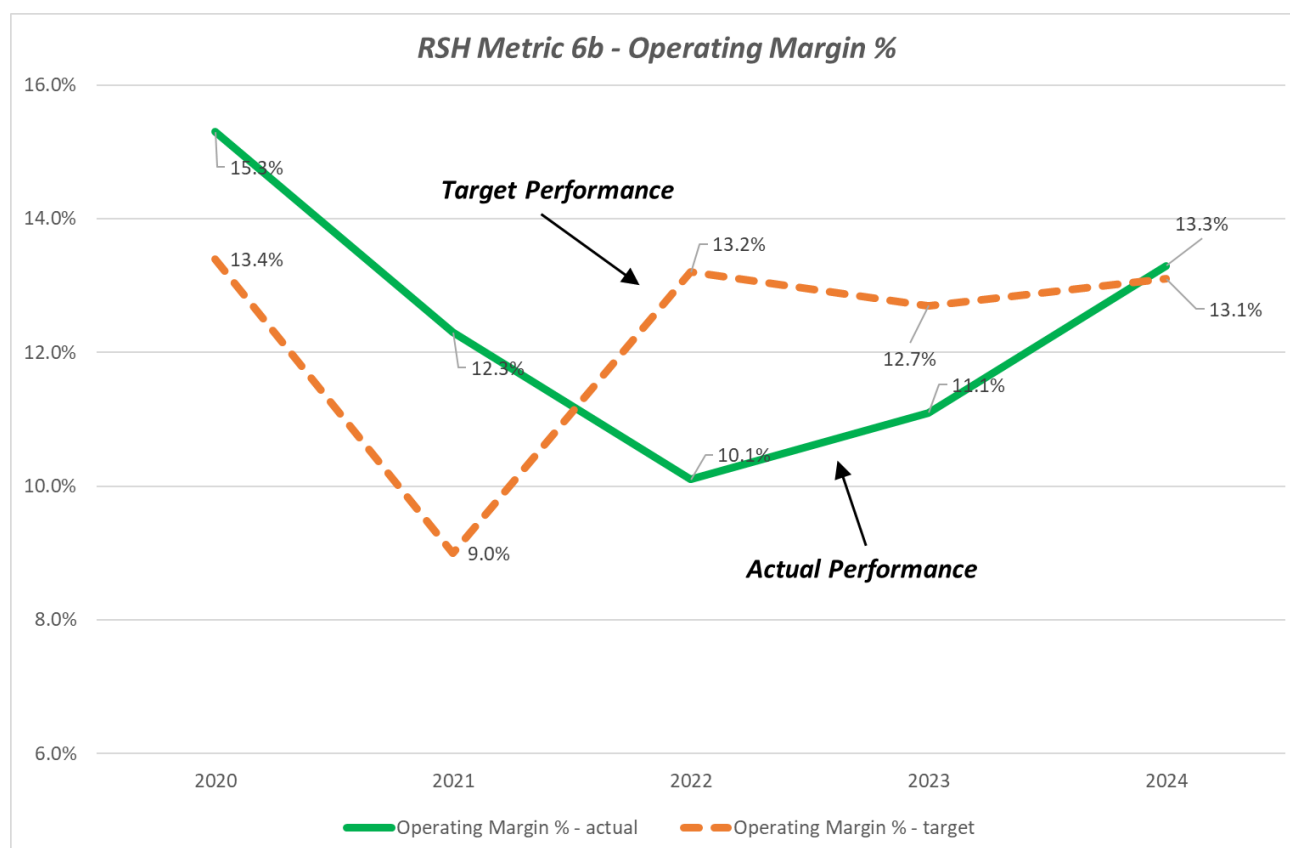
ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

6b. RSH Metric 6b – Operating Margin %

This metric demonstrates the profitability of operating assets before exceptional expenses are taken into account and includes both care and support activities and also provision of development services (e²). Inclusion of these elements makes meaningful comparison very difficult and the metric above, 6a - Operating Margin (Social Housing Lettings) %, excludes these elements from the calculation and thereby provides more meaningful comparison.

Orwell Housing	Peer group	East of England	Independent East	UK
13.3%	19.3%	25.9%	23.4%	21.0%



Calculation of this metric also includes support and care activities, provision of development services and the profit on disposal of property. Inclusion of these elements, in particular substantial care services, makes meaningful comparison difficult as it makes Orwell's figures lower than they would otherwise be. In recent periods the margin has improved through a focus on costs within these service areas and generally and from the profits recognised on disposal of property. These have brought performance back towards target. A more reflective measure of operating margin performance is included within this report under metrics 6a and 10.

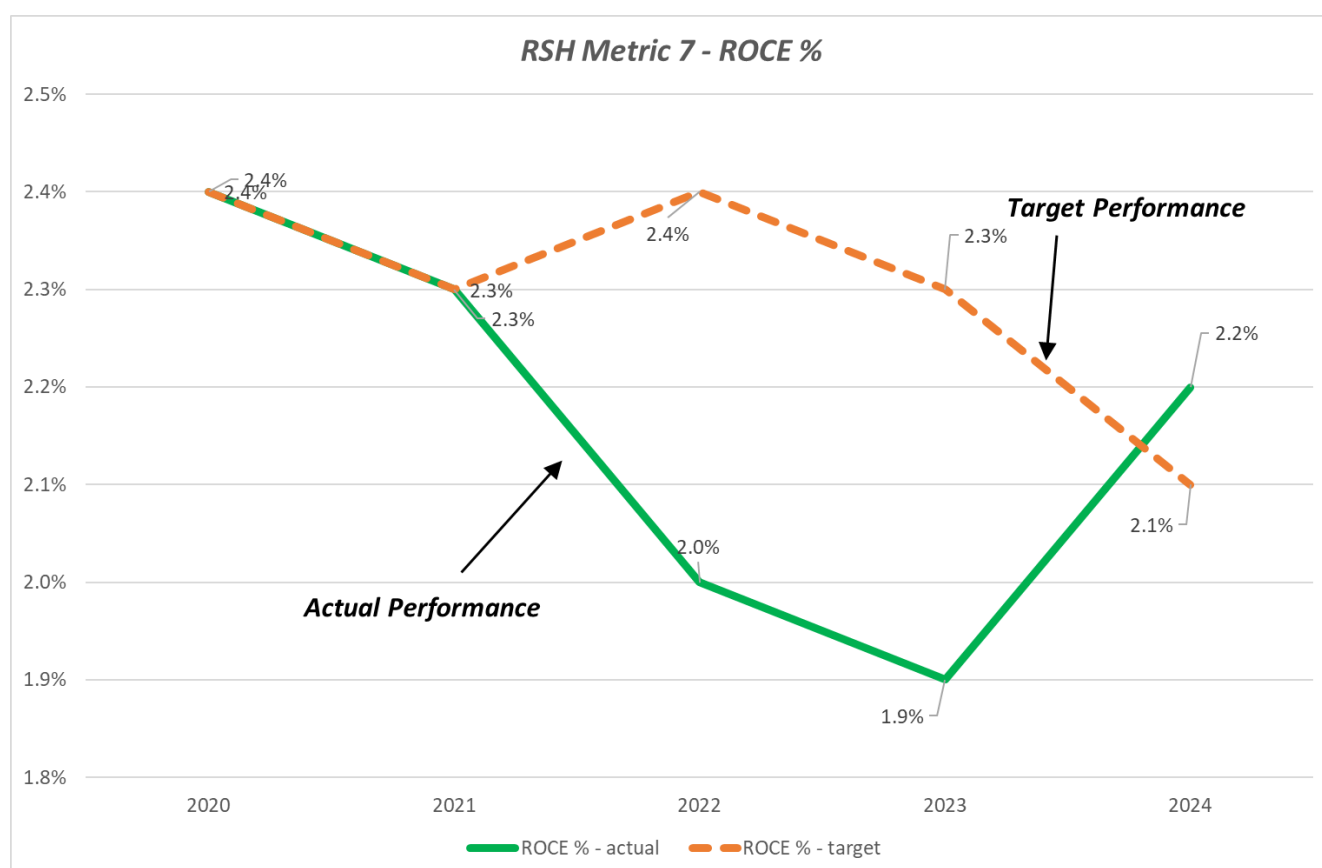
ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

7. RSH Metric 7 – Return on capital employed (ROCE) %

This metric compares operating surplus to total assets, less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources.

Orwell Housing	Peer group	East of England	Independent East	UK
2.2%	2.6%	3.1%	3.0%	2.9%



ROCE % of 2.2% is slightly above the target for the year of 2.1%. This has arisen from the review of operating costs and from the disposal of uneconomic assets as previously described.

In terms of comparison with peer group and the other comparators, the lower level is mainly due to Orwell having higher levels of care and support.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

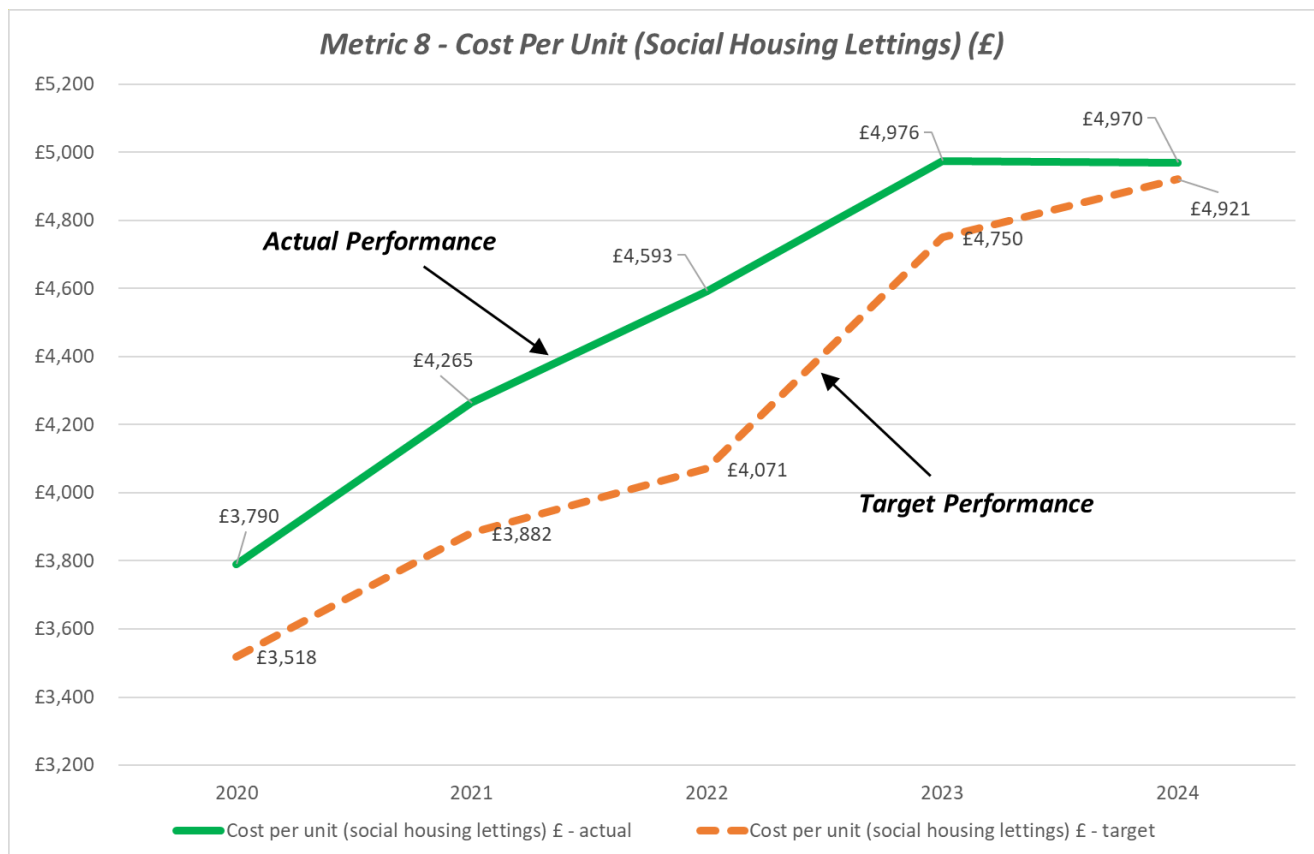
Sector Scorecard and own metrics

In addition to the mandatory RSH metrics, Orwell monitors other metrics in assessing performance, including some from the Sector Scorecard.

8. Own metric - Cost Per Unit (Social Housing Lettings only) (£)

Calculation of the RSH metric number 5, Headline Social Housing cost per unit includes both care and support activities and also provision of development services (e²). Inclusion of these elements makes meaningful comparison very difficult and this metric, removes these elements from the calculation for Orwell.

Orwell Housing	Peer group	East of England	Independent East	UK
£4,970	£5,564	£4,399	£5,564	£4,743



This metric includes elements of core social housing delivery only. This is above target and both the peer group and the other comparators. This reflects material cost pressures and direct labour shortages, both of which have impacted significantly upon responsive repairs expenditure.

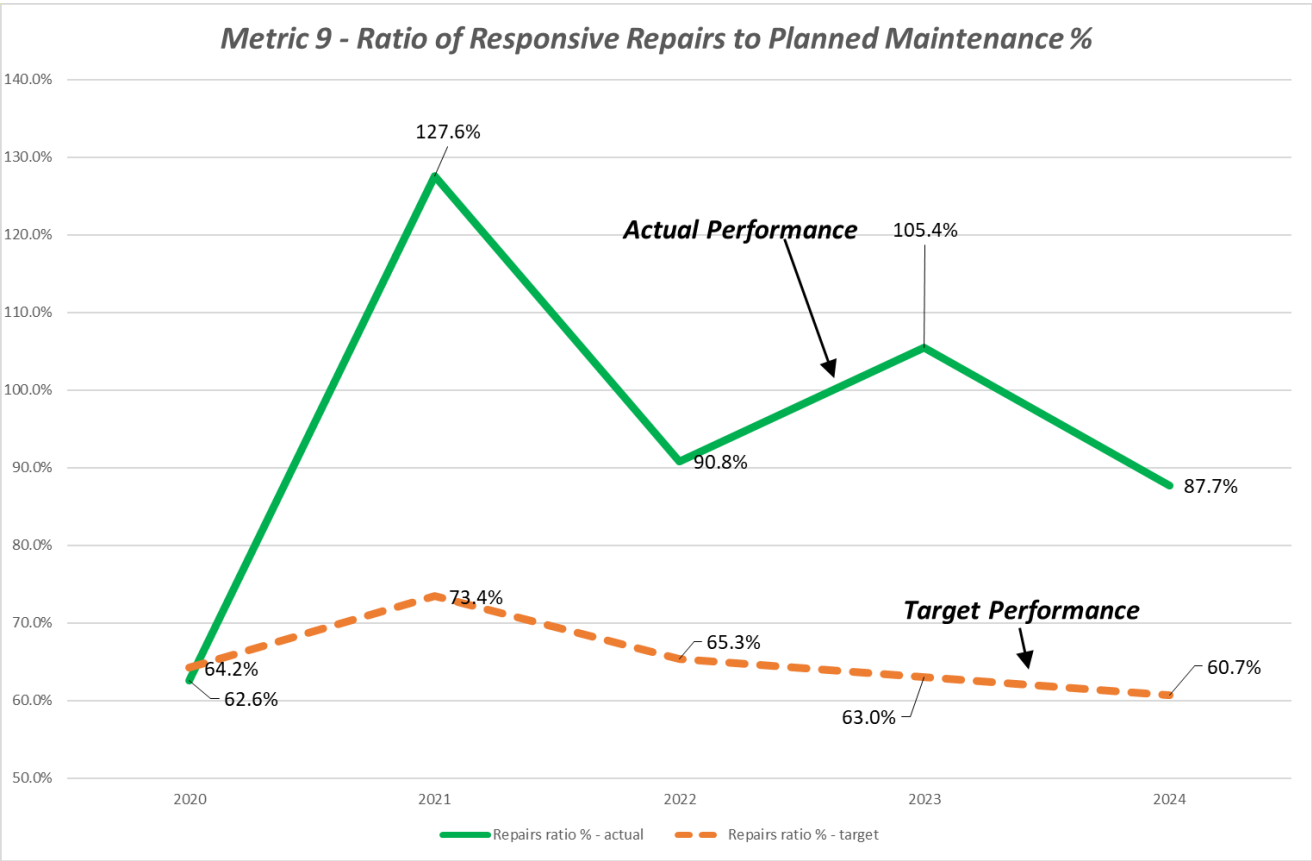


ORWELL HOUSING ASSOCIATION LIMITED
Strategic report for the year ended 31 December 2024 (Continued)

9. Sector Scorecard – Effective Asset Management - Ratio of responsive repairs to planned maintenance (%)

This metric indicates the ratio of responsive repairs to planned maintenance with the general ambition of achieving a figure of circa 65%.

Orwell Housing	Peer group	East of England	Independent East	UK
87.7%	54.9%	64.8%	67.5%	60.7%



Actual performance has remained higher than the target level. This is the result of a combination of high responsive repairs spend, due to material cost pressures and direct labour shortages, combined with lower planned maintenance spend. There has been a particular focus on addressing reactive works in 2024, including some areas of damp and mould exposure, combined with a focus on completing planned component improvements including EPC improvement works.

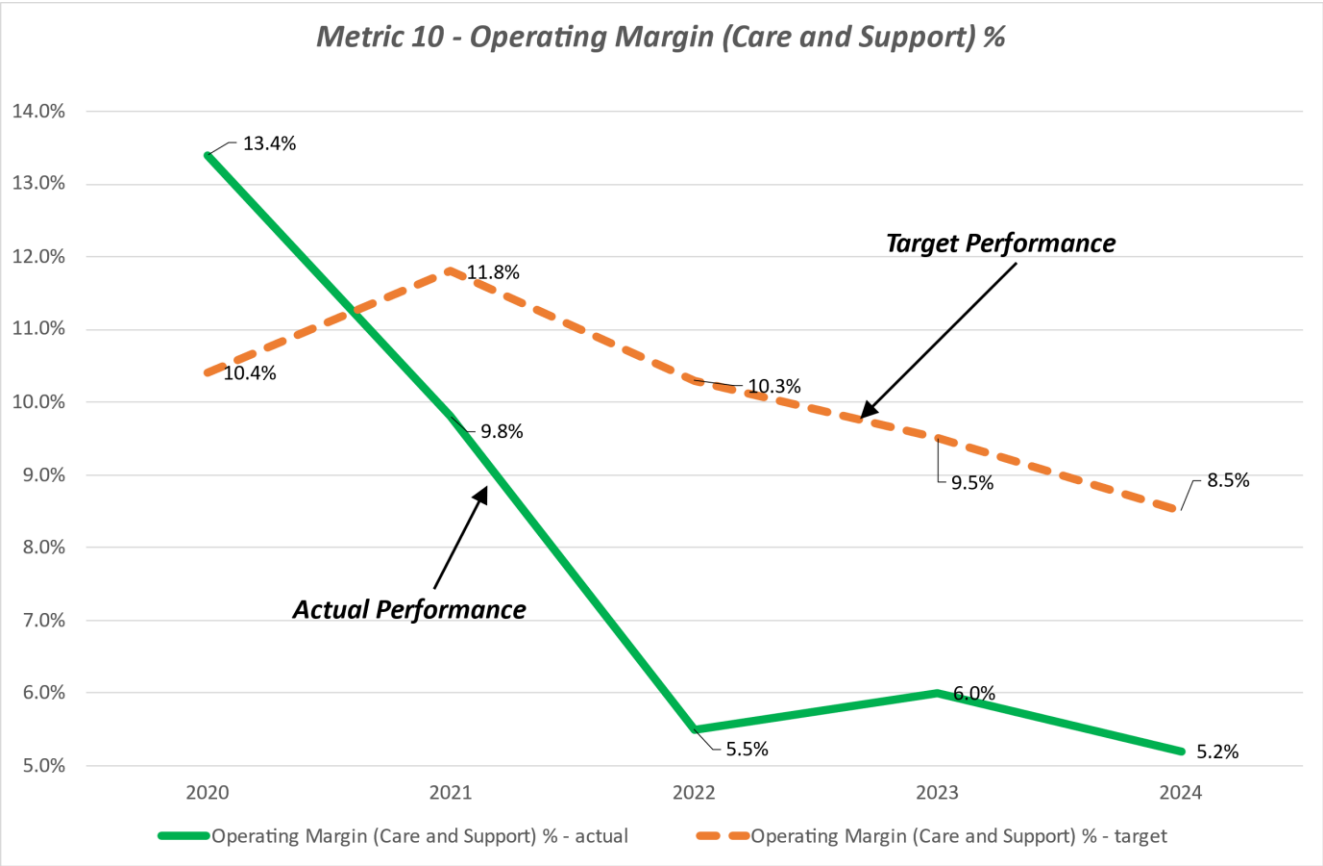


ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

10. Own metric - Operating Margin (Care and Support) (%)

This metric demonstrates the profitability of care and support activities and is an important metric for Orwell given that it is expected that these activities generate an overall surplus and make a contribution toward overall organisation operating costs.



2024 has been a further challenging year within the Care and Support activities of Orwell. Changes to National Minimum Wage at April 2024 led to increases in operating costs greater than the increases that could be agreed for the relevant service contracts, with continuing pressure on department budgets. Maintaining employed staffing at budget levels continued to be challenging, resulting in significant use of higher cost agency cover. Staffing within Care and Support is the major cost area and therefore the margin has been reduced, as shown in the above graph.

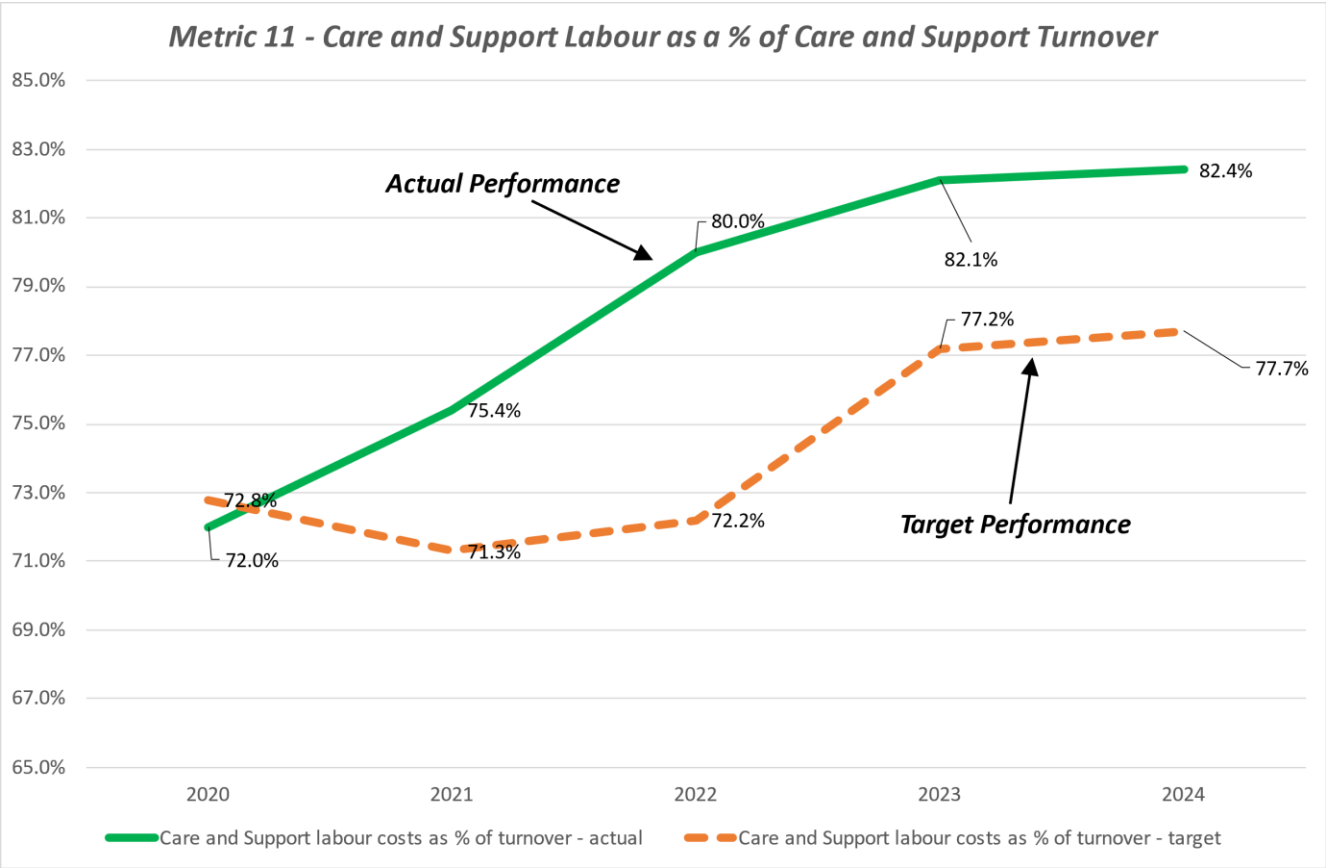
Future changes in Employer NIC costs and minimum wage levels are expected to place further challenge on these services and negotiation of appropriate contract rates and management of agency costs continue to be the main area of focus.



ORWELL HOUSING ASSOCIATION LIMITED
Strategic report for the year ended 31 December 2024 (Continued)

11. Own metric – Care and Support Labour as a % of Care and Support Turnover

Labour is the biggest single cost in the delivery of care and support and this metric indicates the profitability of operations. A lower percentage represents a better control over costs and so a better performance.



Paycosts are the most significant element of cost within the care and support activities within Orwell. Above inflation increases in the National Minimum Wage drove a further increase in 2024. Agency spend is also a significant contributor and the availability of sufficient permanent contract labour is a challenge. We have taken steps throughout the year to continue to reduce the level of agency spend that is required to partially offset the increases in wage costs. The continuing increase in cost through 2024 has put further pressure on the operating margin return from this activity.

Further above inflation movements in national minimum wage levels will place further pressure on this going forward and negotiation of appropriate contract rates and further management of agency costs remain the main area of focus moving ahead.


Social Value 2024 Infographic




Our social rents in 2024 on average were **£101.12** per week, 92% of average East of England social rents of **£109.55** per week.



Orwell's affordable rents in 2024 were on average **£123.81** per week, 76% of average East of England affordable rents of **£162.30** per week.




113 adaptations made to customers' homes at a cost of **£77,310** enabling people to stay in their own homes and reducing reliance on health and social care services.




 **69** new homes built, 10 of which were shared ownership. Investing in more affordable homes for local people is one of our priorities.

 **858** volunteer hours donated enabling local people to gain valuable work experience and build confidence.

 **6** local students supported through work experience placements, giving them a greater understanding of future career opportunities and choices.


 **3** apprentices recruited, enabling local people to gain hands-on work experience, alongside an accredited qualification, whilst earning a wage.

 **71%** of our stock is rated EPC C or above, investing in energy efficient homes for our customers is a priority.


 **22** colleagues supported across the business within Care and Support, Leadership, Horticulture, Carpentry and Business admin.

Strategic report for the year ended 31 December 2024 (Continued)

£3,781 of internal funding allocating to customers to purchase essential items for their homes and ease financial pressure.




£2,391 of internal funding to support customers with clearances or decluttering their properties, when unable to do so themselves, to make their homes easier to manage moving forward.



75 successful move-ons from our temporary supported housing services.



695 people received care and support services enabling them to retain their independence.



2128 Customers engaged and are helping us shape our future services, giving feedback and reviewing our services.




£24,979 in external funding obtained by our team, on behalf of customers, for goods, services and support for customers experiencing financial hardship.



£8,197 raised through the Make A Difference fund provided tenants with essential items when they were most needed.

33 colleagues across the organisation are Mental Health First Aiders, 26 of these trained by Orwell. They increase awareness, reduce stigma and offer support to colleagues, helping them remain in, or return to work.



£5,000 from the tenancy sustainment fund used to support Orwell customers facing financial hardship.



201 customers helped through our Tenancy Sustainment service, of which, 100% maintained their tenancy.

Strategic report for the year ended 31 December 2024 (Continued)

Financial Review

The Group is pleased to report another successful year in challenging operating and economic circumstances and has achieved an operating surplus for the year of £6,065,000, compared to the previous year of £5,206,000. This year has seen growth in turnover from rental income, sales and care services, offset by a reduction in income from management of development activities for partner organisations. Operating expenditure has increased more significantly, in particular in utility costs, and with continuing cost pressure in materials and labour in the maintenance and care activities.

Group turnover for the year increased to £47,333,000, from £46,823,000 the previous year; an increase of £510,000. Turnover from social housing lettings increased by £1,919,000 as a result of new homes and the increase in rents. Shared ownership sales have reduced slightly for this year, with demand and prices varying throughout the year, leading to proceeds of £1,661,000, a decrease of £195,000. Orwell Homes Limited contributed market sale income of £1,331,000, slightly reduced due to fewer sales and easing of market prices. Development programme delivery services have reduced when compared to 2023, which in itself was a reduction from 2022. Previously, Orwell has managed a substantial build programme for e2 partners with a large sheltered housing scheme completing in 2022, but this has steadily reduced as partners have developed independent capacity. The focus is now on programme management for local authority partners and on development activity for Orwell itself and Orwell Homes.

Group operating expenditure for the year increased to £39,295,000 from £37,129,000 last year; an increase of £2,166,000.

Expenditure on housing stock maintenance comprises both revenue and capital spend and for the year was £8,546,000 (2023: £7,691,000), an increase of £855,000 on the previous year and demonstrating the ongoing investment in Orwell's housing stock.

Interest costs for the year have risen to £4,589,000, from £4,017,000 last year, reflecting the net increase in drawn loan balances of £8million over the year and the offset with a less volatile year with variable interest rates. The base rate has reduced from 5.25% at December 2023 to 4.75% from November 2024. Orwell's weighted average interest rate now stands at 3.9% compared to 3.7% last year.

Orwell participates in both the Social Housing Pension Scheme (SHPS) and the Local Government Pension Scheme (LGPS) and this year reflects a combined actuarial gain of £70,000 compared to a loss of £704,000 last year, including the capping of the LGPS asset of £729,000 as set out in Note 26.

The net result of the above financial performance is a Group retained surplus for the year of £1,587,000 (2023: £519,000) which has been transferred to General reserves and ultimately will support the ongoing development work of Orwell and provision of new accommodation.

Cash inflows and outflows for the year are set out in the Consolidated Statement of Cash Flows. The net inflow from operating activities for the year was £8,780,000 compared with £6,501,000 for 2023. Cash less grant expended for the construction and purchase of housing properties during the year was £7,648,000.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

Financial Review

Treasury policies

The Group's Treasury Policies are designed to ensure that:

- Appropriate funding is in place to support the various activities undertaken by Orwell and the Group;
- Uncharged assets will be available to secure future borrowings; and
- Interest rates, loan covenants and security arrangements are managed and monitored such as to protect the long-term viability of Orwell and Group.

During the year the Board was pleased to agree an extension and amendment of revolving credit facilities (RCF) with Orwell's existing banks. This has also enabled the Board to negotiate an amendment of financial covenants from the previous EBITDA MRI basis to an EBITDA only basis of interest cover measurement which provides additional capacity and flexibility to support the continuing investment in energy performance and safety of existing homes. A new facility was agreed in the year with National Westminster Bank plc of £32.5million and this has been fully secured in January 2025. In addition terms were agreed with Lloyds Bank plc to restate existing RCF facilities, increasing this by £10 million, and which has also been completed and fully secured in early 2025. Together with the long-term funding arranged in 2021 via a £20,000,000 bond with bLEND Funding Plc, this provides secured long term finance to support the continuing development and investment programme.

In recent years, the Board has taken advantage of competitive low fixed rate interest deals and sought to ensure that the loan portfolio is not over-exposed to variable interest rate risk when interest rates begin to rise. The Board recognised that the variable/fixed proportions would fall outside of the usual treasury management of approximately 20% to 40% short term variable interest rates of less than one year and approximately 60% to 80% fixed interest rates. The proportion increased to 91% on fixed rate terms at December 2022 following the drawing of the funding from bLEND Funding plc and this has now reduced to 77% at December 2024 as development funding has been drawn from revolving credit facilities at variable rates.

Having reviewed the existing debt portfolio and the Group's development ambitions the Board is satisfied that the financing arrangements provide sufficient and appropriate long term finance for the continuing development and investment programme during 2025. The maturity profile of Orwell's and Group's loans is set out in note 24.

At 31 December 2024 Orwell had total undrawn revolving credit facilities of £41million (2023: £16.5 million) of which £9.5 million is fully secured and immediately available to draw. The Group also had cash balances of £2,493,000 (2023: £2,286,000).

Going concern

In the opinion of the Board, Orwell Housing Association and Group have adequate resources to continue in operation for the foreseeable future and have considered and modelled the potential financial impacts of a variety of scenarios on Orwell and the Group. For this reason, the going concern basis has been adopted in preparing the financial statements.

Housing properties

In the opinion of the Board, there has been no indication of any significant impairment of Orwell Housing Association and Group's properties during the year or since then.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

Corporate Governance

The Board comprises up to 12 non-executive members and meets with the executive officers a minimum of six times a year. The work of the Board is supported by the Audit & Risk Committee, the Customer Insight Committee and the Remuneration and Nominations Committee.

The responsibility for the day-to-day operations is delegated to the Chief Executive and the executive directors, who report through the Chief Executive to the Board.

The Board continue to strive for excellence in governance and this is achieved through:

- annual appraisals of the Board by the Chair including seeking views from the executive team and a 360-degree review of the Chair.
- annual assessments of the effectiveness of all Boards and Committees.
- continuing work by the Board to make improvements and or adjustments to governance where gaps or opportunities are identified.
- Board away day providing learning and strategic thinking time together with training and development for Board members; and
- gap analysis of the skills provided by the Board set against the current and future operating needs of Orwell, in order to inform recruitment of new members and address any skill gaps.

The Audit & Risk Committee comprises up to 7 members. It has full authority to investigate the affairs of the Association and Group and is given a budget to purchase independent advice as it considers appropriate. It reports directly to the Board and, other than considering internal controls, assurance and risk matters, it also has responsibility for selecting and recommending to the Board the appointment of external and internal auditors.

The Customer Insight Committee comprises up to 6 members. It reports to the Board on matters of compliance with consumer regulatory standards, scrutiny of customer performance indicators, service delivery, quality and complaints. It also provides Board with the customer perspective enabling the customer voice to shape and continuously improve the homes and services provided.

The Remuneration and Nominations Committee comprises up to 6 members and meets to review the salaries of the Chief Executive and directors, together with employee benefits. The Committee also oversees Board succession planning and supports the selection, interview and recruitment of new Board members.

The Board

Helen Galbraith – Chair
 Dayle Bayliss– Vice-Chair
 Jeanette Alfano (retired 27 March 2024)
 Stuart Appleby
 Joanna Ballman (appointed 27 March 2024)
 Stephen White

Tom Brown
 Pamhi Mulambo
 Ian Pinches
 Brett Rennolds
 Barbara Thorndick (retired 27 March 2024)
 Scott Hayward (appointed 24 July 2024)

Each member holds one share in Orwell during their period of office.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

Chief Executive and Executive Team

The executive officers of Orwell who served during 2024 were as follows:

Wendy Evans-Hendrick	Chief Executive
Michelle Harrison	Director of People and Culture
David Hall (appointed 2 January 2024)	Director of Finance
Tony Long (appointed 20 March 2024)	Director of Customers and Communities

The executive officers hold no interest in Orwell's share capital and act within the delegated authority given to them by the Board. The detailed scrutiny of performance, policies/procedures and the Strategic Plan is carried out by the executive team on an ongoing annual basis.

Third party indemnity provision for Directors and Officers

Qualifying third party indemnity provision is in place for the benefit of all directors and officers of the company.

Risk Management And Statement On Internal Controls Assurance

The Board recognises that it is ultimately responsible for both the management of risk and the system of internal control. The approach to risk is one where it is expected that management of day-to-day risk happens automatically as daily business is carried out by every employee, supported by the business planning process and management of strategic risks. Whilst recognising the need to understand and monitor risk, Orwell is not risk-averse and acknowledges the need for realistic risk control and management to provide a sound basis on which to carry out business and not constrain. Orwell will normally look to manage, mitigate or monitor risk, as appropriate, but will avoid risk in excess of its clearly understood risk appetite.

Orwell monitors and controls all the risks that may affect the achievement of its objectives and these are either recorded in a Strategic Risk Register or an Operational Risk Register. Each item within the registers is assigned a risk appetite and evaluated for impact and likelihood of occurrence. The risk registers also include the controls that have been put in place to reduce the risk to a level that is acceptable, within the given risk appetite. Each risk, and associated controls, within the registers is managed by a nominated individual who is responsible for regular review, on a quarterly basis as a minimum. To support the review, risk is an agenda item at team meetings and all employees are encouraged to contribute. The strategic risks and major operational risks are considered at every Board meeting and reviewed quarterly by the Executive Directors and Operational Management and annually by the Audit & Risk Committee. The effectiveness of this system is kept under review and the responsibility to bring weaknesses and improvements required to the attention of the Board, is principally delegated to the Audit Committee.

The Board considers the strategic risks facing the business to be:

- Financial viability sustaining business operations and growth ambitions.
- Macroeconomic and Political change impacting upon business direction, including changes in the consumer regulatory landscape.
- Information security including data protection and cyber-crime.
- Maintaining health and safety compliance, and appropriate quality of services.
- Orwell Homes growth and financial independence.
- Failure to deliver an effective service to customers, resulting in damage to reputation and/or financial difficulties putting assets and consumers at risk.
- Climate change effects and planning for the requirements of Net Carbon Zero.
- Long term viability of Care and Support as a service.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

Risk Management And Statement On Internal Controls Assurance (continued)

Regular review of the risk register has confirmed that appropriate controls are in place for all of the strategic risks shown above. Orwell also has in place an Assurance Map to monitor and confirm assurance activities across the business. The Assurance Map is regularly reviewed at Board, Audit Committee and by the Executive Directors and Operational Management.

The Board recognises that it has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The Board also recognises that no system of internal control can provide absolute assurance. The system of internal control is designed to be an important part of the control and management of risk and to provide reasonable assurance that the key business objectives and expected outcomes will be achieved. It also exists to provide reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of assets and interests.

Furthermore, in the event of a problem occurring that affects the overall reputation of Orwell the Board will expect both officers and members, where appropriate, to be open and honest while providing all of the details required to allow the problem to be properly managed and lessons to be learned from the experience.

Key elements of the internal control framework are:

- a work environment which includes a commitment to quality and competent leadership and control by example, communication of ethical values, an appropriate organisational structure, independence, integrity and openness at Board level, appropriate delegation of authority with accountability and a professional approach to financial reporting;
- a robust risk management system across Orwell;
- monitoring through internal audit of systems and controls. This is outsourced to a specialist service provider with whom a programme of specific risk based internal audits is agreed and performed;
- a cybersecurity strategy with regular internal monitoring and audit of controls, external validation of incident response plan, and robust procedures in place relating to Information Governance and Data Protection in line with best practice guidance;
- procedures to reduce exposure in connection with treasury management, through a comprehensive policy which essentially spreads borrowing and lending risks across mainstream financial institutions, limiting the liabilities of the Association and Group and controlling cashflow;
- a 30-year financial plan presented at Board and reviewed to ensure that Orwell can meet all its financial commitments. Stress testing of the plan is undertaken through scenario planning, including projecting the cumulative impact of multiple scenarios. Planned mitigations are prepared together with trigger points indicating when to implement;
- detailed information presented to Board throughout the year covering monthly financial, operational and compliance performance, compliance with funding covenants, 3-year cashflow projections, treasury management performance and strategy, annual budget, insurance review and unencumbered asset review;
- financial control procedures to ensure accurate accounting for financial transactions, including authorisation procedures, physical controls, segregation of duties and procedures to ensure compliance with laws and regulations that have significant implications; and
- a Strategic Plan and policies in place to support the running of an effective business and which include probity, anti-fraud and corruption, anti-tax evasion, anti-money laundering, anti-bribery and speaking up (whistleblowing).

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

Risk Management And Statement On Internal Controls Assurance (continued)

The Board monitors these activities either itself, or through the work of the Committees and regularly reviews effectiveness. The Board, through the Audit Committee, has also undertaken a review of the effectiveness of the system of internal controls and no significant weaknesses that could result in a material loss have been identified.

Internal audit

Orwell makes use of external advisers to conduct its internal audit programme. Internal audit differs from other sources of assurance in that it can provide independent and objective assurance across the whole range of activities. Orwell has agreed to adopt the principles of the Internal Audit Code of Practice and considers that it complies with the relevant principles.

The Audit Committee is responsible for receiving reports on risk and internal audit on behalf of the Board. The Committee scrutinises and approves the programme of audit work, provides challenge and scrutiny to reports received ensuring management responses to recommended actions are appropriate and implemented. The Audit Committee reports to the Board on its work after each meeting.

The 2024 annual report from Orwell's internal auditors sets out the following internal audits and advisory reports:

<i>Review</i>	<i>Grading</i>	<i>Update</i>
April 2024 Health & Safety – Gas, Asbestos, Legionella, Infection Control	Reasonable Assurance	All agreed improvement actions have been completed
April 2024 Rent Setting	Substantial Assurance	All agreed improvement actions have been completed
June 2024 Counter Fraud Bribery and Corruption	Reasonable Assurance	All agreed improvement actions have been completed
August 2024 Recruitment and Right to Work Checks	Substantial Assurance	All agreed improvement actions have been completed
August 2024 Medicine Management	Reasonable Assurance	All agreed improvement actions have been completed

ORWELL HOUSING ASSOCIATION LIMITED**Strategic report for the year ended 31 December 2024 (Continued)****Risk Management And Statement On Internal Controls Assurance (continued)**

<i>Review</i>	<i>Grading</i>	<i>Update</i>
November 2024 Key Financials	Reasonable Assurance	Improvement actions were agreed and are monitored, currently 4 improvement actions remain and are within agreed timescale.
November 2024 Data Protection and GDPR	Substantial Assurance	There were no improvement actions identified.

Fraud

The Board has in place a set of fraud and speaking up (whistleblowing) policies and procedures which are reviewed on a regular basis. These cover the prevention, detection and reporting of fraud, including the recovery of assets and reporting incidents of fraud to the Regulator of Social Housing and Police. Orwell maintains a register of actual and attempted fraud, which the Board has reviewed as part of its annual review of the effectiveness of Orwell's system of internal control. During 2024, there was one incidence of fraud resulting in a loss of less than £1,000, following which additional controls have been implemented to prevent this recurring.

Statement Of Compliance – Governance Code

Under the Regulatory Framework the Board is required to select and comply with a published Code of Governance. The Board has chosen to adopt the Code of Governance published by the National Housing Federation in 2020 as its code of governance. The Board considers that this Code is the most appropriate for Orwell taking into account its size, corporate structure and the nature of its activities and is compliant in full with the code. During 2024 the Board undertook an independent review of governance and this did not identify any areas of non compliance; the Board has agreed an action plan to implement recommendations on improving practice arising from the review.

Statement Of Compliance – Governance And Financial Viability Standard

As a Registered Provider Orwell is required to comply with the Regulatory Framework published by the Regulator of Social Housing (RSH). During the year, the RSH confirmed that Orwell remains at the highest governance rating of G1, and that Orwell's financial viability rating remains at a compliant V2.

The Board considers Orwell to be compliant with the Governance and Financial Viability Standard in all material respects.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2024 (Continued)

Risk Management And Statement On Internal Controls Assurance (continued)

Statement Of The Board's Responsibilities In Respect Of The Financial Statements

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of Orwell's and Group's state of affairs and of Orwell's and Group's surplus or deficit for that period. In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Orwell and Group and to enable the Board to ensure that the 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. The Board also has general responsibility for taking reasonable steps to safeguard the assets of Orwell and Group and to prevent and detect fraud and other irregularities. The Board is responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Disclosure Of Information To The Auditor

The Board members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Board members have confirmed that they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

In preparing the Strategic Report, the Board has followed the principles set out in the Statement of Recommended Practice for Social Housing Providers (Housing SORP 2014 (updated 2018)).

Crowe U.K. LLP has indicated its willingness to continue in office. A resolution to re-appoint Crowe U.K. LLP will be proposed at the Annual General Meeting.

The Strategic Report was approved by the Board on 12 May 2025 and signed on its behalf by:

DocuSigned by:

 ECF67594323A499
 Helen Galbraith
 Chair

ORWELL HOUSING ASSOCIATION LIMITED

Independent Auditor's report to the Members of Orwell Housing Association Limited

Opinion

We have audited the financial statements of Orwell Housing Association Limited (the "Association") and its subsidiary (the "Group") for the year ended 31 December 2024 which comprise the consolidated and Association Statements of comprehensive income, the consolidated and Association statements of changes in reserves, consolidated and Association statements of financial position, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31 December 2024 and the Group and Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of 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 from April 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The Board is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

ORWELL HOUSING ASSOCIATION LIMITED

Independent Auditor's report to the Members of Orwell Housing Association Limited (Continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report on other 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 information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- adequate accounting records have not been kept by the group; or
- a satisfactory system of controls over transactions has not been maintained; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 34, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

ORWELL HOUSING ASSOCIATION LIMITED**Independent Auditor's report to the Members of Orwell Housing Association Limited (Continued)**

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

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations applicable to a registered social housing provider in England together with the Housing SORP. We assessed the required compliance with these Laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Association's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Association for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing and the Care Quality Commission (CQC), health and safety, taxation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of care and support income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over the timing of the above income streams and reviewing regulators correspondence and minutes of Board meetings.

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 (irregularities) 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 irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

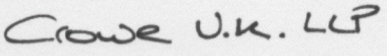
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

ORWELL HOUSING ASSOCIATION LIMITED**Independent Auditor's report to the Members of Orwell Housing Association Limited (Continued)**

Use of our report

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

Signed by:

A handwritten signature in black ink that reads "Crowe U.K. LLP".

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Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

12 May 2025

ORWELL HOUSING ASSOCIATION LIMITED**Statement of comprehensive income for the year ended 31 December 2024**

	Note	2024		2023	
		Group £000	Association £000	Group £000	Association £000
Turnover	4	47,333	46,002	46,823	43,393
Cost of sales	4	(2,663)	(1,351)	(4,791)	(1,532)
Operating expenditure	4	(39,295)	(39,242)	(37,129)	(37,032)
Profit on disposal of housing properties	9	690	690	303	303
Operating surplus	4, 8	6,065	6,099	5,206	5,132
Gift Aid		-	4	-	-
Interest receivable	10	59	59	68	97
Interest and finance costs	11	(4,607)	(4,589)	(4,051)	(4,017)
Surplus for the year before tax		1,517	1,573	1,223	1,212
Taxation	12	-	-	-	-
Surplus for the year after tax		1,517	1,573	1,223	1,212
Actuarial (loss)/gain in respect of pension schemes	26,27	70	70	(704)	(704)
Total comprehensive income for the year		1,587	1,643	519	508

The financial statements on pages 39 to 78 were authorised and approved for issue by the Board on 12 May 2025 and signed on its behalf by

DocuSigned by:



ECF67594323A499...

Helen Galbraith
Chair

Signed by:



D5D759C8CF0C431...

Dayle Bayliss
Vice-Chair

DocuSigned by:



0609599A60F74AF...

Amanda Sargeant
Secretary

The notes on pages 43 to 78 form part of these financial statements.

ORWELL HOUSING ASSOCIATION LIMITED**Statement of changes in reserves for the year ended 31 December 2024**

Group	General reserve £000	Restricted reserve £000	Total £000
Balance at 1 January 2023	74,773	421	75,194
Surplus for the year	519	-	519
Transfer from general reserve to restricted reserve	(30)	30	-
Transfer from restricted reserve to general reserve	-	-	-
Balance as at 31 December 2023	75,262	451	75,713
Surplus for the year	1,587	-	1,587
Transfer from general reserve to restricted reserve	(19)	19	-
Transfer from restricted reserve to general reserve	-	-	-
Balance as at 31 December 2024	76,830	470	77,300

Association	General reserve £000	Restricted reserve £000	Total £000
Balance at 1 January 2023	73,367	421	73,788
Surplus for the year	508	-	508
Transfer from general reserve to restricted reserve	(30)	30	-
Transfer from restricted reserve to general reserve	-	-	-
Balance as at 31 December 2023	73,845	451	74,296
Surplus for the year	1,643	-	1,643
Transfer from general reserve to restricted reserve	(19)	19	-
Transfer from restricted reserve to general reserve	-	-	-
Balance as at 31 December 2024	75,469	470	75,939

The notes on pages 43 to 78 form part of these financial statements.

ORWELL HOUSING ASSOCIATION LIMITED**Statement of financial position for the year ended 31 December 2024**

	Note	2024		2023	
		Group £000	Association £000	Group £000	Association £000
Fixed assets					
Intangible fixed assets	13	273	273	66	66
Housing properties	14, 15	272,019	272,719	262,884	263,523
Other tangible fixed assets	16	2,489	2,489	2,518	2,518
Investments	17	989	989	1,022	1,022
		<u>275,770</u>	<u>276,470</u>	<u>266,490</u>	<u>267,129</u>
Current assets					
Stock and work in progress	18	2,346	431	2,798	629
Debtors	19	5,131	5,104	6,401	6,402
Cash and cash equivalents		2,493	1,985	2,286	2,147
		<u>9,970</u>	<u>7,520</u>	<u>11,485</u>	<u>9,178</u>
Creditors: amounts falling due within one year	20	(13,104)	(12,715)	(9,692)	(9,441)
Net current assets		<u>(3,134)</u>	<u>(5,195)</u>	<u>1,793</u>	<u>(263)</u>
Total assets less current liabilities		<u>272,636</u>	<u>271,275</u>	<u>268,283</u>	<u>266,866</u>
Creditors: amounts falling due after more than one year	21	(193,584)	(193,584)	(190,177)	(190,177)
Provisions for liabilities					
Defined benefit pension scheme liability	26, 27	(1,752)	(1,752)	(2,393)	(2,393)
Other provisions		-	-	-	-
Total net assets		<u>77,300</u>	<u>75,939</u>	<u>75,713</u>	<u>74,296</u>
Capital and reserves					
Called up share capital	30	-	-	-	-
Restricted reserves	30	470	470	451	451
General reserves	30	76,830	75,469	75,262	73,845
		<u>77,300</u>	<u>75,939</u>	<u>75,713</u>	<u>74,296</u>

The financial statements on pages 39 to 78 were authorised and approved for issue by the Board on 12 May 2025 and signed on its behalf by

DocuSigned by:

 Helen Galbraith
 Chair

Signed by:

 Dayle Bayliss
 Vice-Chair

DocuSigned by:

 Amanda Sargeant
 Secretary

The notes on pages 43 to 78 form part of these financial statements.

ORWELL HOUSING ASSOCIATION LIMITED**Consolidated statement of cash flows for the year ended 31 December 2024**

	Note	Group 2024 £000	Group 2023 £000
Net cash inflow from operating activities	34	8,780	6,501
Cash flow from investing activities			
Acquisition and construction of housing properties		(10,504)	(16,550)
Purchase of other tangible fixed assets		(3,516)	(2,747)
Sale of housing properties		1,259	619
Sale of other tangible fixed assets		15	-
Social Housing and Other Grants received		2,764	2,095
Withdrawal from investments		-	10,393
Interest received		59	68
Net cash outflow from investing activities		(9,923)	(6,122)
Net cash (outflow)/inflow before financing activities		(1,143)	379
Cashflow from financing activities			
Housing loans received		8,000	11,100
Housing loans repaid		(1,806)	(9,406)
Housing finance costs incurred		(227)	-
Interest paid		(4,617)	(4,046)
Net cash (outflow)/inflow from financing activities		1,350	(2,352)
Net change in cash and cash equivalents	35	207	(1,973)
Cash and cash equivalents at beginning of the year		2,286	4,259
Cash and cash equivalents at end of the year		2,493	2,286
Cash and cash equivalents comprise:		2024 £000	2023 £000
Cash at bank		2,493	2,286
		2,493	2,286

The notes on pages 43 to 78 form part of these financial statements.

ORWELL HOUSING ASSOCIATION LIMITED

Notes forming part of the financial statements for the year ended 31 December 2024

1 Legal status

Orwell Housing Association Limited is a co-operative and community benefit society and is an English registered social housing provider.

The address of Orwell's registered office and principal place of business is Crane Hill Lodge, 325 London Road, Ipswich, Suffolk IP2 0BE.

Orwell's and Group's principal activities are the provision of affordable rented and shared ownership accommodation for people in housing need and the provision of direct care and support.

The principal activities of the subsidiary company, Orwell Homes Limited, are the provision of construction services to the parent company Orwell Housing Association Limited, together with the development of residential housing for market sale.

2 Accounting policies

Basis of accounting

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Basis of consolidation

The consolidated financial statements of Orwell have been prepared as required by the Housing SORP 2018 and incorporate, under the acquisition method, the financial statements of the Orwell and enterprises controlled by Orwell (its subsidiaries) made up to 31 December each year.

Subsidiaries are entities over which Orwell has the power to govern the financial and operating policies to obtain economic benefit to Orwell. Subsidiaries are fully consolidated from the effective date of acquisition, or up to the effective date of disposal, as appropriate.

Reduced disclosures

In accordance with FRS 102, Orwell, as an entity, has taken advantage of the exemptions from the following disclosure requirements in its individual financial statements.

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in profit or loss and in other comprehensive income.

Going concern

In the opinion of the Board, the Association and Group have adequate resources to continue in operation for the foreseeable future and have considered and modelled the potential financial impacts of a variety of scenarios on Orwell and the Group. For this reason, the going concern basis has been adopted in preparing the financial statements.

ORWELL HOUSING ASSOCIATION LIMITED

Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)

Turnover

Turnover represents rental, service charge and fee income receivable, fees and revenue grants from local authorities and Homes England, development income as a result of the e² consortium, and subsidiary company activities. Rental income is recognised on the execution of tenancy agreements. Development income as a result of the e² consortium is recognised on an equivalent basis to the proportion of cost incurred at year end compared to total anticipated cost. Proceeds on sale are recognised on practical completion. Other income is recognised as receivable on the delivery of services provided. Turnover in respect of properties for sale on the open market is recognised at point of sale.

Government Grants

Government grants include grants receivable from Homes England, local authorities and other government bodies.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Reasonable assurance is considered to be the point where the grant claim, in accordance with the previously approved project approval, has been submitted to Homes England.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Orwell will comply with the conditions and the funds will be received.

Other grants

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

Donated land or acquired below market value

Land or other assets which have been donated by a government source is added to cost of assets at the fair value of the land at the time of the donation. The difference between the fair value of the asset donated and the consideration paid is treated as a non-monetary government grant and included within the Statement of Financial Position as a liability. The terms of the donation are considered to be performance related conditions. Where the donation is not from a public source, the value of the donations less the consideration is included in income.

Intangible fixed assets

Intangible fixed assets are stated at cost, less amortisation. Amortisation is provided at a rate calculated to write off the cost, less estimated residual values, on a straight-line basis over the expected economic useful lives of the assets as follows:

Software	-	3 years
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Fixed assets - housing, land and buildings

Housing properties are properties for the provision of social housing and are principally properties available for rent and shared ownership.

Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings, and expenditure incurred during the development period.

ORWELL HOUSING ASSOCIATION LIMITED

Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)

Fixed assets - housing, land and buildings (continued)

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs;
- A significant extension to the life of the property.

Shared ownership properties including those under construction are split between fixed assets and current assets based on the element relating to expected first tranche sales. The proportion expected to be sold under first tranche disposal is recognised as stock within current assets 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. Where the first tranche has been sold prior to the acquisition of the properties, these are included in fixed assets only.

Depreciation of housing properties

Freehold land or assets under construction are not depreciated.

The group separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the following years:

Housing leasehold buildings	Length of lease
Property structure	100 years
Roofs	60 years
Flat Roofs	15 years
Kitchens	20 years
Windows and doors	30 years
Bathrooms	30 years
Lifts	15 years
Boilers	15 years
Heating systems	30 years
Solar Panels	25 years

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the recoverable amount of the asset is estimated.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the income and expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

ORWELL HOUSING ASSOCIATION LIMITED

Notes forming part of the financial statements for the year ended 31 December 2024 (*Continued*)

Other tangible fixed assets

Other fixed assets are stated at cost, less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual values, of all fixed assets, with the exception of freehold offices, on a straight-line basis over the expected economic useful lives of the assets as follows:

Freehold Offices	-	100 years
Motor vehicles	-	4 years
Office furniture and equipment	-	5 years
Gardening equipment	-	4 years
Computer equipment	-	3 years

Construction contracts

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, turnover and costs are recognised over the period of the contract.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract turnover is recognised only to the extent of contract costs that are recoverable and the contract costs are expensed as incurred.

The group uses the "percentage of completion method" to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded for contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets, depending on their nature, and provided it is probable they will be recovered. Amounts held as work in progress at the year end represent costs incurred in respect of potential e² schemes where a development contract is not yet in place.

Stock of properties for market sale

Stock of market sale properties are held at the lower of cost or net realisable value.

Borrowing costs

The arrangement costs incurred in raising long term finance are capitalised and offset against the relevant borrowing, and amortised over the life of the borrowing.

Value Added Tax (VAT)

The group is registered for VAT but a large proportion of its income, including rents, is exempt for VAT purposes. The majority of Orwell's expenditure is subject to VAT which cannot be reclaimed and expenditure is therefore shown inclusive of VAT. Any input VAT recovered is credited against operating costs.

Gift Aid Income

Donations received under the Gift Aid scheme from our subsidiary is recognised as income at the point the Directors of the subsidiary have approved the gift aid as it relates to the principal activities of the association and is eliminated on consolidation.

ORWELL HOUSING ASSOCIATION LIMITED

Notes forming part of the financial statements for the year ended 31 December 2024 (*Continued*)

Taxation

Orwell has charitable status and is therefore exempt from paying Corporation Tax on charitable activities. The tax expense represents the sum of the current tax expense and deferred tax expense arising from its subsidiary company activities. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Temporary Supported Housing

Where housing is operated by other organisations under management agreements, the financial statements include only the amounts payable and receivable in respect of the housing and any deficits arising are funded from other operations of the relevant organisations. Where housing is managed by Orwell, their income and expenditure is included in full in the income and expenditure account.

Operating leases

Annual rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

Retirement benefits

Defined contribution plans

For defined contribution schemes the amount charged to income and expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plans

The group participates in two funded multi-employer defined benefit schemes, the Suffolk County Council Local Government Pension Scheme (LGPS) and the Social Housing Pension Scheme (SHPS).

For LGPS, the cost of providing benefits is determined using the projected unit credit method.

Asset/Liability

The net defined benefit asset/liability represents the present value of the defined benefit obligations minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from the calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

ORWELL HOUSING ASSOCIATION LIMITED

Notes forming part of the financial statements for the year ended 31 December 2024 (*Continued*)

Retirement benefits (continued)

Gains/Losses

Gains or losses recognised in profit or loss:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.

Gains or losses recognised in other comprehensive income:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument and are offset only when the group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

ORWELL HOUSING ASSOCIATION LIMITED

Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)

Financial liabilities (continued)

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only where the contractual rights to cashflows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Provisions

Provisions are recognised when there is an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

3 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Defined benefit pension scheme liability

The LGPS pension liability is based on the actuarial valuation as at 31 December 2024 and full details are disclosed in note 26. At the financial year end the actuarial results included a Pension Asset, due to the uncertainty that this asset will actually materialise an asset ceiling has been applied. The remaining pension asset is noted as a contingent asset.

The SHPS pension liability is based on the independent actuarial scheme valuation as at 31 December 2024 and full details are disclosed in note 27.

Construction contracts

The outcome of a construction contract is an estimate and during the period of construction, judgment will be made on the probable outcome which will determine the amount of turnover and cost recognised.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)**

3 Critical accounting estimates and areas of judgement (continued)***Critical areas of judgement******Depreciation of assets***

Assets, including components of housing properties, are depreciated over their useful economic life, which is determined by the length of time the individual asset or component is expected to be used before being replaced. Management judges the estimates of economic lives based on historic replacement cycles and historic asset and component performance. Components are determined by management using the largest elements of the property by cost which can separately be identified as assets in their own right.

Impairment

Impairment of housing assets is considered annually. In making the judgement, the Board consider the detailed criteria set out in the SORP. In particular the Board has taken into account independent valuations in respect of contract work in progress and unsold properties held for sale in considering the recoverable value of such assets and concluding that no impairment should be recognised in 2024 (2023: £Nil).

Housing property cost allocation

Where a scheme under construction is a mixed tenure scheme, the total costs of the scheme are split using a suitable method, such as floor area, between the various elements, which may include housing property assets and stock. The allocation of the cost of low-cost home ownership schemes under construction between stock and housing properties is determined by looking at the predicted amount to be sold as a first tranche sale. This predicted amount is based on the likely demand for the scheme and the investment appraisal.

Finance and operating leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to Orwell as lessee, or the lessee, where Orwell is a lessor.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****4 Turnover, operating expenditure and operating surplus**

2024	Turnover £000	Cost of sales £000	Operating expenditure £000	Operating surplus £000
Social housing lettings (see note 5)	25,071	-	20,707	4,364
Other social housing activities:				
First tranche low cost home ownership sales	1,661	1,351	268	42
Charges for support services	4,688	-	4,688	-
Development services	665	-	601	64
Care	11,292	-	10,576	716
Total other social housing activities	18,306	1,351	16,133	822
Non-social housing activities:				
Market Rent	2,625		2,402	223
Profit on disposal of housing properties				690
Association activities	46,002	1,351	39,242	6,099
Subsidiary company	1,331	1,312	53	(34)
Group activities	47,333	2,663	39,295	6,065

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****4 Turnover, operating expenditure and operating surplus (continued)**

2023	Turnover £000	Cost of sales £000	Operating expenditure £000	Operating surplus £000
Social housing lettings (see note 5)	23,152	-	19,840	3,312
Other social housing activities:				
First tranche low cost home ownership sales	1,856	1,532	-	324
Charges for support services	4,498	-	4,498	-
Development services	869	-	759	110
Care	10,462	-	9,563	899
Total other social housing activities	17,685	1,532	14,820	1,333
Non-social housing activities:				
Market Rent	2,556	-	2,372	184
Profit on disposal of housing properties	-	-	-	303
Association activities	43,393	1,532	37,032	5,132
Subsidiary company	3,430	3,259	97	74
Group activities	46,823	4,791	37,129	5,206

Other social housing activities - charges for support services includes £1,143,932 of Supporting People income (2023: £1,341,311).

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****5 Particulars of the Group's and Association's turnover and operating expenditure from social housing lettings**

	General needs housing £000	Supported housing £000	Low cost home ownership £000	2024 Total £000	2023 Total £000
Income					
Rent receivable net of identifiable service charges	16,012	3,333	639	19,984	18,101
Service charge income	711	2,575	99	3,385	3,127
Amortised government grants	724	241	13	978	997
Government grants taken to income	4	5	-	9	1
Other grants	-	-	-	-	-
Other income	129	582	4	715	926
Turnover from social housing lettings	17,580	6,736	755	25,071	23,152
Operating expenditure					
Management	5,427	2,173	17	7,617	7,521
Service charge costs	1,464	1,913	32	3,409	3,284
Routine maintenance	3,105	861	6	3,972	3,947
Planned maintenance	864	484	38	1,386	1,088
Bad debts	175	45	-	220	74
Depreciation of housing properties	3,001	653	119	3,773	3,498
Lease costs	167	163	-	330	428
Operating expenditure on social housing lettings	14,203	6,292	212	20,707	19,840
Operating surplus on social housing lettings	3,377	444	543	4,364	3,312
Void losses	(303)	(209)	-	(512)	(343)

Void losses for 2023 was previously reported as £532,000 which included losses arising from service charges and has been restated to now include rent only.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****6 Employees**

The average monthly number of employees of the Group and Association during the year was:

	2024		2023	
	Full time	Part time	<i>Full time</i>	<i>Part time</i>
Administration	142	73	118	56
Wardens/Care Workers	79	374	62	402
Gardeners/Caretakers/Repairs	57	7	53	37
	<u>278</u>	<u>454</u>	<u>233</u>	<u>495</u>

The above represents full time equivalents of 576 (2023: 588).

	2024	2023
	£000	£000
Staff costs consist of:		
Wages and salaries	17,956	16,658
Social security costs	1,459	1,301
Defined contribution pension costs	404	563
Other pension costs and current service cost	154	173
	<u>19,973</u>	<u>18,695</u>

Orwell made payments of £1,730 (2023: £11,980) under redundancy and settlement agreements costs have been included within wages and salaries. In relation to this cost associated Employers NI costs of £239 (2023: £1,116) are included in social security costs.

Full time equivalent number of employees who received remuneration during the year above £60,000 was:

	2024	2023
£60,000 - £69,999	4	5
£70,000 - £79,999	1	1
£80,000 - £89,999	3	2
£90,000 - £99,999	1	1
£100,000 - £109,999	-	1
£110,000 - £119,999	1	-
£120,000 - £129,999	-	1
£130,000 - £139,999	-	-
£140,000 - £149,999	-	1
£150,000 - £159,999	1	-

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****7 Directors Emoluments**

Directors are defined as the ten members of the Board (2023: ten) together with the four members of the senior management team (2023: four), which includes the Chief Executive. Board member remuneration during the year was as follows:

Group and Association	2024 £000	2023 £000
Cynthia Alers (retired 29 March 2023)	-	2
Jeanette Alfano	1	5
Stuart Appleby	5	5
Dayle Bayliss	8	7
Lauren Bayliss Fuller (resigned 25 September 2023)	-	4
Tom Brown (appointed 29 March 2023)	7	4
Helen Galbraith	12	11
Pamhi Mulambo (appointed 29 March 2023)	5	4
Kim Newman (retired 29 March 2023)	-	3
Ian Pinches	7	6
Brett Rennolds	5	5
Barbara Thorndick	2	7
Stephen White	5	5
Joanna Ballman	4	-
Scott Hayward (appointed 24 July 2024)	2	-
Total emoluments – non-executive	63	68
Emoluments (including social security costs of £55,535 (2023: £50,990) – executive	519	512
Pension scheme contributions – executive	125	121
Total Key Management compensation – fourteen directors (2023: fourteen)	707	701
Emoluments of the highest paid director	220	204

Two executive directors (2023: three) were members of the Orwell's defined benefit pension scheme.

The Chief Executive was an ordinary member of the pension scheme with no enhanced or special terms applied. Contributions towards the Chief Executive's pension by the company amounted to £49,647 (2023: £46,068). The Chief Executive's notice period is 6 months.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****8 Operating surplus**

	2024		2023	
	Group £000	Association £000	Group £000	Association £000
This has been arrived at after charging:				
Housing properties depreciation	3,768	3,768	3,596	3,596
Other depreciation and amortisation	190	190	158	158
Impairment	-	-	-	-
Internal auditors' remuneration	70	70	59	59
Hire of assets – operating leases – land and buildings	1,579	1,579	1,531	1,531
Hire of assets – operating leases – motor vehicles	256	256	247	247
Fees payable to Crowe UK LLP and its associates in respect of both audit and non audit services are as follows:				
Audit services – statutory audit of the company	31	27	29	25
Taxation compliance services	3	3	4	-

9 Profit on disposal of housing properties

	2024		2023	
	Group £000	Association £000	Group £000	Association £000
External disposals				
Disposal proceeds	1,259	1,259	619	619
Cost, less Social Housing Grant not recycled	(569)	(569)	(316)	(316)
	<u>690</u>	<u>690</u>	<u>303</u>	<u>303</u>

10 Interest receivable

	2024		2023	
	Group £000	Association £000	Group £000	Association £000
On bank and building society deposits	59	59	68	68
On intragroup loans	-	-	-	29
	<u>59</u>	<u>59</u>	<u>68</u>	<u>97</u>

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****11 Interest and finance costs**

	2024		2023	
	Group £000	Association £000	Group £000	Association £000
On bank loans and other loans repayable wholly or partly within 5 years	1,177	1,159	342	308
On bank loans and other loans repayable wholly or partly after more than 5 years	3,439	3,439	3,704	3,704
Bond premium released	(91)	(91)	(89)	(89)
Defined benefit pension charge	82	82	94	94
	<u>4,607</u>	<u>4,589</u>	<u>4,051</u>	<u>4,017</u>

12 Taxation

	2024		2023	
	Group £000	Association £000	Group £000	Association £000
Current tax:				
UK Corporation tax on profits of current year	-	-	-	-
Group relief claimed in respect of prior years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year:

For year ending 31 December 2024, the profit of Orwell Homes Limited has been surrendered to the parent company under the Gift Aid scheme. For the year ending 31 December 2023, the profit of Orwell Homes Limited has been offset against Group interest paid and no UK Corporation tax is assessed as payable.

	2024 £000	2023 £000
Subsidiary profit on ordinary activities before tax	4	146
Group Relief	-	(146)
Gift Aid	(4)	-
	<u>-</u>	<u>-</u>

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****13 Intangible fixed assets**

Group and Association	Software £000	2024 Total £000
<i>Cost</i>		
At beginning of year	119	119
Additions during year	262	262
Disposals during year	(53)	(53)
At end of year	328	328
<i>Less: Amortisation</i>		
At beginning of year	(53)	(53)
Charge for year	(55)	(55)
Disposals during year	53	53
At end of year	(55)	(55)
<i>Net book value</i>		
At beginning of year	66	66
At end of year	273	273

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****14 Tangible fixed assets - Housing properties**

Group	Shared Ownership under construction £000	Housing properties under construction £000	Shared Ownership properties completed £000	Housing properties for letting completed £000	2024 Total £000
<i>Cost</i>					
At beginning of year	1,887	10,344	12,370	262,622	287,223
Additions during year	1,039	9,450	-	3,143	13,632
Disposals during year	-	-	(57)	(1,241)	(1,298)
Transfer	(2,110)	(12,703)	2,110	12,703	-
At end of year	816	7,091	14,423	277,227	299,557
<i>Depreciation</i>					
At beginning of year	-	-	(232)	(24,107)	(24,339)
Charge for the year	-	-	(119)	(3,643)	(3,762)
On disposal	-	-	2	561	563
At end of year	-	-	(349)	(27,189)	(27,538)
<i>Net book value</i>					
At beginning of year	1,887	10,344	12,138	238,515	262,884
At end of year	816	7,091	14,074	250,038	272,019
					2024 £000
Freehold land and buildings					264,841
Long leasehold land and buildings					5,633
Short leasehold land and buildings					1,545
					272,019

During the year, £3,143,000 of works to existing properties were capitalised (2023: £2,656,000) and £5,358,000 (2023: £5,035,000) were charged to the Group's statement of comprehensive income. All Group borrowings are secured against the Association properties, utilising 2,332 properties with a security valuation of £213.1m. Subsequent to year end a further 399 properties with a security value of £39.1m were added as security for the Group borrowings.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****15 Tangible fixed assets - Housing properties**

Association	Shared Ownership under construction £000	Housing properties under construction £000	Shared Ownership properties completed £000	Housing properties for letting completed £000	2024 Total £000
<i>Cost</i>					
At beginning of year	1,963	11,085	12,370	262,641	288,059
Additions during year	1,038	9,518	-	3,143	13,699
Disposals during year	-	-	(57)	(1,241)	(1,298)
Transfer	(2,110)	(12,703)	2,110	12,703	-
At end of year	891	7,900	14,423	277,246	300,460
<i>Depreciation</i>					
At beginning of year	-	-	(232)	(24,304)	(24,536)
Charge for the year	-	-	(119)	(3,649)	(3,768)
On disposal	-	-	2	561	563
At end of year	-	-	(349)	(27,392)	(27,741)
<i>Net book value</i>					
At beginning of year	1,963	11,085	12,138	238,337	263,523
At end of year	891	7,900	14,074	249,854	272,719
					2024 £000
Freehold land and buildings					265,541
Long leasehold land and buildings					5,633
Short leasehold land and buildings					1,545
					272,719

During the year, £3,143,000 of works to existing properties were capitalised (2023: £2,656,000) and £5,358,000 (2023: £5,035,000) were charged to the Group's statement of comprehensive income. All Group borrowings are secured against the Association properties, utilising 2,332 properties with a security valuation of £213.1m. Subsequent to year end a further 399 properties with a security value of £39.1m were added as security for the Group borrowings.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****16 Tangible fixed assets - Other**

Group and Association	Freehold offices £000	Office furniture, plant & equipment £000	Gardening equipment £000	2024 Total £000
<i>Cost</i>				
At beginning of year	2,460	676	18	3,154
Additions during year	-	113	8	121
Disposals during year	-	(326)	(17)	(343)
Transfers	-	-	-	-
At end of year	2,460	463	9	2,932
<i>Less: Depreciation</i>				
At beginning of year	(99)	(522)	(15)	(636)
Charge for year	(25)	(107)	(3)	(135)
Disposals during year	-	311	17	328
Transfers	-	-	-	-
At end of year	(124)	(318)	(1)	(443)
<i>Net book value</i>				
At beginning of year	2,361	154	3	2,518
At end of year	2,336	145	8	2,489

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****17 Investments**

	2023		2022	
	Group £000	Association £000	Group £000	Association £000
Liquidity reserve at beginning of year	1,022	1,022	11,379	11,379
Movement in the year	(93)	(93)	(10,393)	(10,393)
Interest accrued in the year	60	60	36	36
Liquidity reserve at end of year	<u>989</u>	<u>989</u>	<u>1,022</u>	<u>1,022</u>

Association

£

At 1 January 2024 and 31 December 2024

4

At the year end the Association held shares in the following:

Company	Country of Incorporation	Ordinary shares held		Cost £	Nature of business
		Number	%		
Orwell Homes Limited	England and Wales	2	100	2	Property development
Suffolk Rural Housing Limited	England and Wales	2	100	2	Dormant

18 Stocks and work in progress

	2024		2023	
	Group £000	Association £000	Group £000	Association £000
First tranche disposals of shared ownership properties	409	409	607	607
Market sale properties	1,915	-	2,169	-
Work in progress	22	22	22	22
	<u>2,346</u>	<u>431</u>	<u>2,798</u>	<u>629</u>

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****19 Debtors**

	2024		2023	
	Group £000	Association £000	Group £000	Association £000
Arrears of rent and service charges	1,018	1,012	994	994
Less: Provision for bad/doubtful debts	(385)	(385)	(316)	(316)
	<u>633</u>	<u>627</u>	<u>678</u>	<u>678</u>
Trade debtors	1,387	1,387	1,935	1,939
Less: Provision for bad/doubtful debts	(280)	(280)	(215)	(215)
	<u>1,107</u>	<u>1,107</u>	<u>1,720</u>	<u>1,724</u>
Amounts recoverable on contracts	70	70	1,080	1,080
Amounts due from group companies	-	-	-	-
Other debtors	3,321	3,300	2,923	2,920
	<u>5,131</u>	<u>5,104</u>	<u>6,401</u>	<u>6,402</u>

All debtors above are considered to be recoverable within one year.

Group and Association**Bad and doubtful debts
£000**

At 1 January 2023	506
Charge to income and expenditure account for the year	(65)
Expenditure charge to the provision for the year	90
	<u>531</u>
At 31 December 2023	531
Charge to income and expenditure account for the year	(88)
Expenditure charge to the provision for the year	222
	<u>665</u>
Balance at 31 December 2024	665

The bad and doubtful debts provisions are in place to cover all debts where the Association considers that there are doubts that payment will be received.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****20 Creditors: amounts falling due within one year**

	2024		2023	
	Group £000	Association £000	Group £000	Association £000
Payments on account of long term work in progress	141	141	540	540
Current instalments of loans (see note)	6,138	6,138	1,829	1,829
Trade Creditors	2,389	2,190	2,003	1,464
Contractors for certificate work and unpaid retentions	475	142	687	359
Other taxation and social security	308	308	302	302
Corporation tax	-	-	-	-
Amounts due to group companies	-	151	-	610
Deferred income	171	171	274	274
Recycled capital grants (see note 22)	-	-	-	-
Deferred capital grants (see note 23)	993	993	968	968
Other creditors and accruals	2,489	2,481	3,089	3,095
	<u>13,104</u>	<u>12,715</u>	<u>9,692</u>	<u>9,441</u>

21 Creditors: amounts falling due after more than one year

Amounts due are payable as follows:

	2024		2023	
	Group £000	Association £000	Group £000	Association £000
Recycled capital grant fund (see note 22)	232	232	106	106
Deferred capital grants (see note 23)	81,155	81,155	79,528	79,528
Borrowings (see note 24)	112,428	112,428	110,543	110,543
Less: Loan arrangement costs	(231)	(231)	-	-
	<u>193,584</u>	<u>193,584</u>	<u>190,177</u>	<u>190,177</u>

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****22 Recycled capital grants**

	2024		2023	
	Group £000	Association £000	Group £000	Association £000
At the beginning of the year	106	106	12	12
Inputs to RCGF: grants recycled	188	188	92	92
interest accrued	8	8	2	2
Recycling of grant: new build	(70)	(70)	-	-
At the end of the year	232	232	106	106

There are no amounts three years old or older where repayment may be required.

23 Deferred capital grant

	2024 £000	2023 £000
Group and Association		
As at 1 January	80,496	78,737
Grant received in the year	2,846	2,834
Capital grant amortised	(984)	(1,005)
Reinstatement of grant re disposals	-	-
Disposals	(210)	(70)
As at 31 December	82,148	80,496
Deferred capital grant due within one year	993	968
Deferred capital grants due after one year	81,155	79,528
	82,148	80,496

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****24 Borrowings**

	Group 2024 £000	Association 2024 £000	<i>Group 2023 £000</i>	<i>Association 2023 £000</i>
Creditors: amounts falling due within one year (see note 20):				
Bank and other loans	6,138	6,138	1,829	1,829
	<u>6,138</u>	<u>6,138</u>	<u>1,829</u>	<u>1,829</u>
Creditors: amounts falling due after more than one year (see note 21):				
Bank and other loans repayable:				
By instalments due after 1 year & up to 5 years	15,034	15,034	6,772	6,772
By instalments due after 5 years	52,712	52,712	24,662	24,662
Other than by instalment due 1 year & up to 5 years	11,400	11,400	11,390	11,390
Other than by instalment due after 5 years	33,282	33,282	67,719	67,719
	<u>112,428</u>	<u>112,428</u>	<u>110,543</u>	<u>110,543</u>

Borrowings are denominated and repaid in pounds sterling, have contractual interest rates that are either fixed rates or variable rates linked to SONIA that are not leveraged, and do not contain conditional returns or repayment provisions other than to protect the lender against credit deterioration or changes in relevant legislation or taxation.

All borrowings are secured against the Association's housing properties.

Bank borrowings are repayable by regular instalments of principal and interest, the last instalments of which fall to be repaid on dates between 2025 and 2054; the loans bear interest at variable rates and fixed rates of between 1.26% and 15.0%.

The bank borrowings are subject to a variety of covenants including interest cover and gearing covenants. During the year, there have been no covenant breaches.

Orwell also has borrowings in the form of bond finance upon which interest is charged at nominal rates between 2.92% and 3.8% with bullet repayments of £10m in 2042 and £20m in 2054.

Orwell agreed terms for £42.5m of new revolving credit facilities in 2024 which have been fully executed and secured in early 2025.

25 Financial instruments

Group	2024 £000	2023 £000
Carrying amount of financial assets:		
Debt instruments measured at amortised cost	3,778	5,374
	<u>3,778</u>	<u>5,374</u>
Carrying amount of financial liabilities:		
Measured at amortised cost	124,291	116,244
	<u>124,291</u>	<u>116,244</u>

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****26 Pension provision – Local Government Pension Scheme**

Orwell is an admitted body of the Local Government Pension Scheme (LGPS) which is funded by the payment of contributions to a separately administered trust fund.

The most recent formal actuarial valuation was carried out as at 31 December 2024 by a qualified independent actuary

Fair value of assets and defined benefit liability

	2024	2023
	£000	£000
Fair value of plan assets	1,702	1,509
Present value of funded liabilities	(973)	(1,125)
Asset restriction	(729)	(384)
	<hr/>	<hr/>
Net asset	-	-
	<hr/>	<hr/>

At the financial year end actuarial results included Pension Assets, due to the uncertainty that these assets will materialise an asset ceiling has been applied to the asset, the ceiling applied is the Pension refunds that will be received from the scheme in the current actuarial cycle. The remaining pension asset is noted as a contingent asset.

Reconciliation of opening and closing balances of the fair value of plan assets:

	2024	2023
	£000	£000
Fair value of plan assets at 1 January	1,509	1,347
Interest income	69	65
Contribution by scheme participants	2	6
Contributions by the employer	11	27
Experience on plan assets (excluding amounts in interest income)		
– gain / (loss)	114	138
Pension increase order impact	-	(71)
Benefits paid	(3)	(3)
	<hr/>	<hr/>
Fair value of plan assets at 31 December	1,702	1,509
	<hr/>	<hr/>

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****26 Pension provision – Local Government Pension Scheme (continued)****Reconciliation of opening and closing balances of the defined benefit obligation:**

	2024	2023
	£000	£000
Defined benefit obligation at 1 January	1,125	1,002
Current and past service cost	9	49
Interest cost	51	49
Contribution by scheme participants	2	6
Actuarial gains due to scheme experience	38	14
Actuarial gain / (loss) due to changes in demographic assumptions	(2)	(10)
Actuarial gain / (loss) due to changes in financial assumptions	(247)	18
Benefits paid	(3)	(3)
	<hr/>	<hr/>
Defined benefit obligation at 31 December	973	1,125
	<hr/>	<hr/>

The actual return on the plan assets (including any changes in share of assets) over the year ended 31 December 2024 was £183,000.

Defined benefit costs recognised in Statement of Comprehensive Income

	2024	2023
	£000	£000
Expenses	9	49
Net interest expense	(1)	(16)
	<hr/>	<hr/>
	8	33
	<hr/>	<hr/>

Defined benefit costs recognised in other comprehensive income

	2024	2023
	£000	£000
Experience gain / (loss) arising on the plan liabilities	(38)	138
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	2	10
Experience gain / (loss) on plan asset	114	(85)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain / (loss)	247	(18)
Actuarial loss to restrict asset value to nil	(345)	(384)
	<hr/>	<hr/>
Actuarial gain / (loss) in respect of pension scheme	(20)	(339)
	<hr/>	<hr/>

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****26 Pension provision – Local Government Pension Scheme (continued)****Major categories of plan assets as a percentage of total plan assets:**

	2024	2023
Equities	64%	61%
Bonds	27%	30%
Property	8%	8%
Cash	1%	1%

Financial Assumptions

The main financial assumptions used by the actuary in assessing scheme liabilities were:

	31 Dec 2024	31 Dec 2023
	% per annum	% per annum
Rate of increase in salaries	3.70	3.80
Discount rate	5.55	4.55
Inflation assumption (CPI)	2.70	2.80

Mortality assumptions

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	31 December 2024	
	Males	Females
Current pensioners	21.4 years	25.0 years
Future pensioners	21.0 years	25.6 years

Contributions

Orwell's contributions to the LGPS Scheme for the period ended 31 December 2024 were £11,000 (2023: £27,000) and the employers' contributions rate has been fixed as 28.4% of pensionable pay until 31st December 2025. At the year-end £869 (2023: £7,498) contributions were payable to the scheme and are included in creditors. The estimated employer's contributions for the year to 31 December 2025 will be approximately £11,000.

ORWELL HOUSING ASSOCIATION LIMITED

Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)

27 Pension provision – the Pensions Trust Social Housing Pension Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme. For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before mid-2025 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****27 Pension provision – the Pensions Trust Social Housing Pension Scheme (continued)****Present values of defined benefit obligation, fair value of assets and defined benefit liability**

	2024	2023
	£000	£000
Fair value of plan assets	8,961	9,397
Present value of defined benefit obligation	-	-
Present value of funded liabilities	(10,713)	(11,790)
Net liability	(1,752)	(2,393)

Reconciliation of opening and closing balances of the fair value of plan assets

	2024	2023
	£000	£000
Fair value of plan assets at 1 January	9,397	9,108
Adjustment by Trustee to opening value	-	23
Interest income	465	464
Contribution by scheme participants	15	20
Contributions by the employer	796	790
Experience on plan assets (excluding amounts in interest income) – (loss)/gain	(1,398)	(737)
Benefits paid	(314)	(271)
Fair value of plan assets at 31 December	8,961	9,397

Reconciliation of opening and closing balances of the defined benefit obligation

	2024	2023
	£000	£000
Defined benefit obligation at 1 January	11,790	11,692
Current and past service cost	129	108
Expenses	16	16
Interest cost	565	574
Contribution by scheme participants	15	20
Actuarial loss due to scheme experience	(226)	(457)
Actuarial (gain)/loss due to changes in demographic assumptions	(111)	(26)
Actuarial (gain)/loss due to changes in financial assumptions	(1,151)	134
Benefits paid	(314)	(271)
Defined benefit obligation at 31 December	10,713	11,790

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****27 Pension provision – the Pensions Trust Social Housing Pension Scheme (continued)**

The actual return on the plan assets (including any changes in share of assets) over the year ended 31 December 2024 was (£933,000).

Defined benefit costs recognised in Statement of Comprehensive Income

	2024	2023
	£000	£000
Expenses	145	124
Net interest expense	100	110
	<u>245</u>	<u>234</u>

Defined benefit costs recognised in other comprehensive income

	2024	2023
	£000	£000
Experience (loss) on the plan assets	(1,398)	(737)
Trustee Adjustment to opening balance	-	23
Experience (loss)/gain arising on the plan liabilities	226	457
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	111	26
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	1,151	(134)
	<u>90</u>	<u>(365)</u>
Actuarial gain / (loss) in respect of pension scheme		
	<u>90</u>	<u>(365)</u>
Total gain / (loss) recognised in other comprehensive income		
	<u>90</u>	<u>(365)</u>

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****27 Pension provision – the Pensions Trust Social Housing Pension Scheme (continued)****Major categories of plan assets as a percentage of total plan assets:**

	2024	2023
Equities	9.97%	8.15%
Bonds	0%	0%
Property	4.66%	6.77%
Absolute return fund	3.90%	1.87%
Cash	1.97%	1.41%
Other	79.50%	81.81%

Financial Assumptions

The main financial assumptions used by the actuary in assessing scheme liabilities were:

	31 Dec 2024	31 Dec 2023
	% per annum	% per annum
Rate of increase in salaries	3.85	3.71
Discount rate	5.59	4.81
Inflation assumption (CPI)	2.85	2.71

Mortality assumptions

Life expectancy is based on the S2PXA Tables and the CMI2017 improvement allowances. Based on these assumptions, the average future life expectancies from retirement age are summarised below:

	31 December 2024	
	Males	Females
Current pensioners	20.5 years	23.0 years
Future pensioners	21.8 years	24.4 years

Contributions

Orwell's contributions to the SHPS Scheme for the period ended 31 December 2024 were £796,000 (2023: £790,000) with employers' contributions rate varying between 4% and 10.8% of pensionable pay, fixed until 31 March. Orwell has agreed to a deficit funding arrangement of £557,000 per annum, decreasing to £482,000 on 1 April 2025 and increasing thereafter annually by inflation of 2% and payable until 31 March 2028.

At the year-end £48,000 (2023: £50,000) contributions were payable to the scheme and are included in creditors. The estimated employer's contributions for the year to 31 December 2025 will be approximately £933,000.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****28 Housing stock****Group and Association**

The number of units of housing under development and in management at 31 December was:

	2024	2023
<i>Housing units under development</i>	61	80
<i>Social housing accommodation under management</i>		
General needs housing – social rent	1,913	1,907
General needs housing – affordable rent	1,077	1,028
Supported housing and housing for older people	620	636
Low cost home ownership accommodation	185	177
Registered care home	10	10
Other social housing	119	123
	3,924	3,881
<i>Non-social housing accommodation under management</i>		
Market rented	50	54
Market rented supported housing and housing for older people	131	131
	4,166	4,146

29 Accommodation managed by others**Group and Association**

	2024 Units	2023 Units
Access Community Trust	63	63
Aspire – Benjamin Foundation	17	17
Break Disability	4	4
Heywoods Grange	10	10
Home Group	6	6
Selig Suffolk	2	2
Inspiring Support	4	4
	106	106

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****30 Share capital and reserves****Share capital**

	2024	2023
Group and Association	£	£
At beginning of year	15	18
Shares cancelled	(2)	(4)
Shares issued	3	1
	<hr/>	<hr/>
At end of year	16	15
	<hr/>	<hr/>

The share capital of Orwell consists of shares with a nominal value of £1 each which carry no rights to vote, dividends or other income. Shares in issue are not capable of being repaid or transferred. Where a shareholder ceases to be a member that person's share is cancelled, and the amount paid up thereon becomes the property of Orwell.

Reserves

Reserves comprise the following:

General reserve

Accumulated surpluses from the Statement of Comprehensive Income which are used to further the work of Orwell and in particular support the ongoing development work and provision of new accommodation.

Restricted reserve

These are sinking funds in respect of specific items of major expenditure at specified supported housing schemes and which can only be spent in accordance with the principles laid down in the relevant lease or agreement.

31 Capital commitments

	2024	2023
Group	£000	£000
Expenditure contracted, less certified	7,388	9,152
	<hr/>	<hr/>

The above expenditure will be financed using Social Housing Grant (SHG) of £483,000 (2023: £460,000) together with Local Authority Grant of £nil (2023: £nil) and a loan facility of £6,905,000 (2023: £8,692,000).

	2024	2023
Association	£000	£000
Expenditure contracted, less certified	4,247	9,152
	<hr/>	<hr/>

The above expenditure will be financed using Social Housing Grant (SHG) of £483,000 (2023: £460,000) together with Local Authority Grant of £nil (2023: £nil) and a loan facility of £3,764,000 (2023: £8,692,000).

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****32 Commitments under operating leases****Group and Association**

As at 31 December, the Association and Group had commitments under non-cancellable operating leases for the following:

Land and buildings:	2024	2023
	£000	£000
Amounts due: Within one year	1,696	1,837
In one to five years	6,058	2,085
In more than five years	17,240	6,183
	<u>24,994</u>	<u>10,105</u>
Motor Vehicles:	2024	2023
	£000	£000
Amounts due: Within one year	285	215
In one to five years	495	241
	<u>780</u>	<u>456</u>
Other:	2024	2023
	£000	£000
Amounts due: Within one year	171	110
In one to five years	222	8
	<u>393</u>	<u>118</u>

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****33 Related party transactions****Group and Association**

The ultimate controlling party of the Group is the Board of Orwell Housing Association collectively.

During the year, the following transactions occurred with Orwell Homes Limited, a non-regulated wholly owned subsidiary of Orwell Housing Association Limited:

	2024	2023
	£000	£000
Purchases from Orwell Homes Limited	3,199	5,619
Salary costs recharged to Orwell Homes Limited	137	267
Interest credited to Orwell Homes Limited	-	29

At the year end, the net amount due to Orwell Homes Limited was £151,000 (2023: £510,000).

During the year, two tenants have been board members. All tenancies and lease agreements are on normal commercial terms and tenant members are not able to use their position to their advantage. There are no disclosures of any material transactions with the related parties', bodies or individuals that have the potential to control or influence the Group or to be controlled or influenced by the Group.

34 Reconciliation of consolidated surplus on ordinary activities to net cash inflow from operating activities

Group	2024	2023
	£000	£000
Surplus for the year	1,587	1,223
Depreciation, amortisation and impairment	3,958	3,747
Amortisation of grant	(995)	(1,005)
Recycling of grant	-	(70)
Defined benefit pension schemes	(641)	(644)
(Gain) on disposal of fixed assets	(690)	(303)
Loss on disposal of components and other properties	140	-
Interest receivable	(59)	(68)
Interest payable	4,607	4,051
Operating cashflows before movements in working capital	7,907	6,931
(Increase) in investments	33	(36)
(Increase)/decrease in stocks	452	1,607
Decrease/(increase) in debtors	1,270	(1,412)
(Decrease)/increase in creditors	(882)	(589)
Cash generated from operating activities	8,780	6,501

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2024 (Continued)****35 Analysis of changes in net debt**

Group	At 1 January 2024 £000	Cash flow £000	Other non- cash movements £000	At 31 December 2024 £000
Cash at bank and in hand	2,286	207	-	2,493
Creditors due in < 1 year: Current instalment of loans	(1,829)	1,829	(6,138)	(6,138)
Creditors due in > 1 year: Bank loan	(110,543)	(7,796)	6,138	(112,201)
Total	(110,086)	(5,760)	-	(115,846)

36 Contingent liabilities**Group and Association**

Social Housing Grants (SHG) are repayable in the event of the disposal of the related property. When this occurs, the total original grant is repayable and this comprises the unamortised balance as per note 23, together with the amortised amount. At the end of the year, the total amount of SHG potentially repayable was £102,047,000 (2023: £98,818,000).

37 Establishment as a Registered Social Landlord

Orwell is an exempt charity, registered under the Co-operative and Community Benefit Societies Act 2014 and with the Social Housing Regulator (formerly the Homes and Communities Agency) as a Registered Provider.