

Orwell Housing Association Ltd

Report and Consolidated Financial Statements

Year Ended 31 December 2025

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

“Together we make a difference”



ORWELL HOUSING ASSOCIATION LIMITED

Annual report and financial statements for the year ended 31 December 2025



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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 – R
Lauren Aitchison – A (appointed 4 June 2025)
Stuart Appleby – C
Joanna Ballman – A
Tom Brown – C R
Scott Hayward – C (resigned 23 July 2025)
Pamhi Mulambo - A
Ian Pinches – A
Brett Rennolds – R
Andrew Ryde – A (appointed 23 July 2025)
Tracey Spencer – C (appointed 4 June 2025)
Stephen White – A C (resigned 4 June 2025)

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

Secretary

Amanda Sargeant

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 2025

2025 has been a year of steady progress and growth. The stability and consistency demonstrated by the executive leadership team have been central to this, enabling the organisation to maintain focus and deliver a positive financial performance despite the ongoing challenges facing the sector. The wider economic environment has remained difficult, particularly in relation to inflation and interest rates. However, the Board is encouraged by the organisation's ability to manage these external factors effectively while continuing to invest in homes and services. Strong governance, prudent decision-making and a clear strategic direction have all contributed to a year in which Orwell has continued to strengthen its position.

Investment in our existing homes has remained a priority. In 2025 we accelerated work to improve the energy efficiency of our properties, supported by government grant funding. Alongside this, the Board supported a more strategic approach to repairs, particularly in relation to void properties. Through targeted reinvestment of disposal proceeds from properties which no longer met customer needs, we are accelerating works to ensure homes are available for occupation as soon as possible.

The Board remains ambitious that Orwell grows in ways that support our customers and communities. In addition to our established track record of organic growth, adding a further 59 new homes in 2025, we were delighted to complete the acquisition of 123 homes from Clarion in Great Yarmouth and transfer from Phoenix Community Homes in Colchester, strengthening our presence in communities we know well and are committed to for the long-term.

Supported Housing is core to what we do and what makes Orwell different. Despite ongoing sector challenges and financial pressures from changes to employer NIC, credit to the team's relentless negotiation and cost control, our Care and Support services continued to deliver vital services to our customers and improve margin during the year.

The creation of a new Customer Experience team midway through the year, brought together Orwell's complaints service and customer engagement and insight teams, to improve data quality, accountability, and the response and successful resolution of customer complaints. The Board have been strongly encouraged by how the new team is working as evidenced by the sharp improvement in Tenant Satisfaction Measures in the final quarter of the year. These results reflect the hard work of colleagues across the organisation and the continued focus on listening to and acting on customer feedback. The Board is pleased by the progress made and remains committed to ensuring that the customer voice continues to shape our services and strategic priorities.

During the year, we were pleased to appoint Louise Hillier to work across Orwell and Independent East. This appointment reflects our commitment to deeper collaboration within the region, promoting a unified approach, and strengthening our collective influence ahead of anticipated changes at regional government.

This is my final report as Chair as my term comes to an end. As I prepare to hand over to Chair Elect, Tom Brown, Orwell enters 2026 with a stable leadership team, a sound financial foundation and a clear strategic direction. I would like to extend my sincere thanks to all members of 'Team Orwell'; their commitment to our customers and communities remains central to everything we achieve. I would also like to thank our partners, stakeholders and residents for their continued support and engagement.

While Board leadership may change; our strategic priorities do not. We remain committed to the people and places we serve, delivering high-quality homes, and responding proactively to the opportunities and challenges that lie ahead.

DocuSigned by:

Helen Galbraith

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Helen Galbraith, Chair

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025

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 Homes 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 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.

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.

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.

During the year the Board agreed a new Strategic Plan which sets out the key strategic direction for the period up to 2030. The key strategic objectives are categorised by the below values:

- People focused: Putting People at the heart of what we do.
- Ambitious: Being Ambitious for our homes and our customers.
- Collaborative: To collaborate with others to achieve more.
- Effective: Being an Effective team and organisation.

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. The Board has also agreed a set of supporting strategies covering all core business activities to support the overall Strategic Plan and to promote delivery of overall objectives over this period.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (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 number of further announcements from Government in respect of housing and including a renewed and welcome emphasis on increasing the supply of affordable homes.

Following the Government's expectation, set out in the previous year, to deliver 1.5 million new homes during the current Parliament, it went on this year to announce the largest funding package to date for affordable housing under the Social and Affordable Homes Programme. This includes £39 billion of funding for affordable housing delivery over a 10 year period, designed to support the largest increase in supply for a generation and to rebuild capacity within the sector. Orwell has a long history of new home construction and of working in partnership with Homes England and its predecessor bodies to make effective use of grant funding. We look forward to continuing this work to support our ongoing growth ambitions.

The Government also made announcements regarding rental income, confirming a 10 year rent settlement, which is welcomed. It has now concluded its consultation on rent convergence and confirmed a phased approach to allow landlords to converge social rents that fall below target levels for various reasons. Approximately 500 Orwell households currently pay social rents below the expected target level. These changes, which will apply to Orwell from January 2028, are projected to provide additional income of £100,000 in the first year of implementation, rising to £200,000 in the second year. Together, these changes will provide a valuable additional income stream to support investment in new housing, while also ensuring greater parity in rent levels for customers.

Awaab's Law came into effect in October 2025 and introduced new requirements for landlords to respond promptly to damp, mould, and emergency repair issues. These response requirements will be further extended over the coming years to cover all areas of housing hazard. Orwell already has a Damp and Mould Policy in place and remains committed to prioritising customers' health and wellbeing through a proactive approach, including regular inspections, timely maintenance interventions, and customer education on ventilation and moisture control. Our aim is to ensure a safe and healthy living environment for all customers.

Inflation remained above the long term target throughout the year, rising from 3.0% to 3.8% mid year before easing back to 3.4% by year end. This was driven predominantly by continued food price inflation, although easing energy costs contributed positively to the overall trend. The Bank of England continued to monitor inflationary pressures and reduced central bank interest rates steadily from 4.75% to 3.75% by year end. However, the outlook for monetary policy remains uncertain given recent geopolitical developments, and the Bank of England has indicated it will continue to respond to evolving economic conditions as required.

One of the most significant policy related cost impacts for Orwell during the year arose from changes to employer National Insurance. While increases in the national minimum wage are welcomed, given the support they provide to many people, changes to employer National Insurance in 2025, particularly the lowering of the payment threshold, have had a significant impact on Orwell due to the large proportion of part time employees within our workforce. This policy change alone has increased annual employment and operating costs by approximately £650,000. Orwell employs over 850 people across all activities, the majority of whom work within care and support services—a long standing core component of our organisational vision and service offer.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (Continued)

Despite these increased costs, funding for care services has not risen at an equivalent rate. Orwell has a strong track record of delivering care and support services to customers with a wide range of needs, and the Board recognises that such activities generate substantial social value in addition to financial returns. The Board regards care and support services as a core element of Orwell's strategic offer and is committed to their continuation, while also recognising the need for these services to remain financially viable and to contribute reasonably to the Group as a whole.

The Board has made the strategic decision to maintain and develop these services and, in line with this, we have reviewed and diversified our funding sources to support ongoing delivery. During the year, new funding agreements were secured for existing services, and aspects of service management and delivery were restructured to improve efficiency. Particular focus has been placed on improving staffing arrangements, managing costs, and reducing the impact of sickness absence. We are also continuing to review and rationalise the properties used for care delivery to ensure they remain fit for purpose and cost effective. The Board has set a long term target to achieve a 7% surplus from care and support activities to enable continued investment, 6.3% was achieved for the year.

We experienced a higher than expected number of vacant properties due to challenges in the capacity of our internal labour team and within the wider supply chain. Constraints on our ability to repair and prepare homes for letting resulted in increased numbers of unavailable homes and rental income losses exceeding target thresholds. Rental income losses reached 3.1%, and additional losses in projected care income were largely offset through flexible staff deployment. Addressing this issue has been a significant priority during the year. The operating teams have been restructured, and new contractor partners appointed to improve capacity. These actions have begun to show results, with turnaround times improving during the final quarter and the overall number of empty properties reducing. We also took the decision to reinvest proceeds from the sale of a large property into the voids budget to increase short term capacity.

Despite these challenges, the core business remains strong. Although the combination of income constraints and increased costs has placed pressure on financial performance, Orwell maintains a solid business base, and forecasts indicate an improvement in financial performance in the short term. Changes to financial covenants in 2024 have increased headroom, and the Group achieved 232% EBITDA cover for the year. We remain focused on improving value for money across the business and on developing new services to respond to the growing demand for affordable homes and care and support services. Throughout the year, we have worked to ensure that services remain customer focused, and we remain committed to placing customers and colleagues at the heart of Orwell.

Orwell continues to have a strong record in new build development. In 2025 we completed 59 new homes—43 for rent and 16 for shared ownership—across a range of sites, including 5 affordable homes at Jubilee Way in Holton delivered directly through Orwell Homes Limited. Other homes were delivered in partnership with local developers through Section 106 agreements. Although completions were below plan due to programme related delays and strategic adjustments, we also focused on rebalancing the programme from a majority of Section 106 schemes in the prior year towards a greater number of Orwell led development sites. We anticipate completing approximately 125 new homes in 2026.

We also continue to work closely with Suffolk and Norfolk partners to deliver homes with support for women fleeing domestic abuse. During the year, we relocated one refuge to a larger site, enabling service consolidation, increasing capacity, and improving service quality. We are also seeking Domestic Abuse Housing Alliance (DAHA) accreditation for these services.

During the year we completed the acquisition of two existing portfolios. The first of these was negotiated with Clarion Housing Group and included 123 properties in Great Yarmouth. The portfolio comprises social and affordable rented properties, shared ownership and a small portfolio of market rented properties. The acquisition of this portfolio will support the wider asset management strategy and enable us to review the existing property within the Great Yarmouth area and make long term strategic decisions over existing property. The second was with a small supported housing charity, Phoenix Community Homes, based in Colchester. The trustees had made the decision to transfer the properties to another suitable provider and we were pleased to negotiate the transfer of these six properties and residents with support needs to Orwell.

ORWELL HOUSING ASSOCIATION LIMITED**Strategic report for the year ended 31 December 2025 (Continued)**

During 2025 we have been progressing a large town centre brownfield site in Great Yarmouth in partnership with Great Yarmouth Borough Council and Broadland Housing. A planning application for 82 new affordable homes was approved at the end of 2025, and we will now approach Homes England for the necessary grant to deliver this project which will help regenerate a currently neglected industrial area.

We have also been progressing a series of smaller garage sites programme with Norwich City Council and have submitted planning applications on half a dozen small sites with planning approvals expected in early 2026. These will form part of our 2026/2027 build programme. We also secured a number of S106 based agreements with private developers including a larger deal with Badger Homes which will deliver 49 homes phased over forthcoming years.

Orwell remains the lead partner for the e² development consortium which includes Ipswich Borough Council and East Suffolk Council. Grant of £3.5 million was received for e² partners to support the development of new homes as part of continuous market engagement.

Sales of 11 homes for shared ownership were completed during the year from our sites in Felixstowe, Elmsett, Witnesham, Great Bentley and Hadleigh. Six properties remained unsold at the end of the year. 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 nine sales during the year and have utilized the proceeds to support our investment into vacant property and to part fund a new supported living home in Woodbridge.

Orwell also has a market sale programme through the wholly owned subsidiary Orwell Homes Limited. Ten new homes for sale were completed late in the year and will be marketed during 2026, no sales were made during the year. The long term target is a sales programme of 15 homes per year. During the year, Orwell Homes Limited continued to provide construction services to Orwell Housing Association, resulting in a saving to the Group of approximately £101,000. 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.

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. At year end we had 99.9% compliance on gas, 100% on legionella, 98% for fire assessments and 96% for lift inspections, and 97.3% 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 to improve performance, and we also replaced 41 kitchens, 129 bathrooms and replaced the doors to 58 and windows to 117 homes to ensure that we maintain decency of our homes, and replaced 3 lifts in our larger scheme properties.

We have improved our level of stock survey inspections to now cover over 96% 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 by year end 76.6% of our properties are at or above the EPC C standard. We successfully secured funding of £1.8m in Wave 3 of the Warmer Homes Programme and this will enable us to improve a further proportion of our homes to EPC C standard. We completed the programme of work under Wave 2 homes during the year, improving a further 48 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.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (Continued)

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 and we have now submitted an application for silver accreditation. We have a target to reduce our business carbon emissions by 40% by 2030.

Orwell benefits from an empowered and motivated colleague base and their continued commitment and dedication is recognised as vitally important to our performance and growth plans. We continue to offer apprenticeship programmes and 22 colleagues successfully completed apprenticeship programmes with 60% of these achieving merit or distinction outcomes. There is a comprehensive learning programme in place, accessible to all, as well as an in-house designed Building Leaders Programme, supporting leadership development to develop a supported, values-led workforce. There is also access to a coaching and mentoring learning and delivery programme. We supported 22 work placements during 2025, providing opportunity for individuals to gain valuable workplace experience.

Orwell continues to be accredited by the Housing Diversity Network (DNA Equality, Diversity and Inclusion accreditation) to demonstrate our commitment to inclusivity and our support of customers and colleagues with diverse needs. We have maintained the level 3 accreditation as a Disability Confident Leader. We recognize the importance of a diverse workforce and continue to champion this through our Equality, Diversity and Inclusion Group: in place to support colleagues and raise awareness. We hold regular Knowledge Café sessions to increase understanding around inclusion through diverse topics. We have maintained the Pledge Pioneer accreditation as part of the LGBTQ+ Housing Pledge programme to demonstrate our commitment to provide safe homes for LGBTQ+ residents, alongside continuing to sponsor, 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 opportunity for all. Reasonable adjustments will be made wherever possible to support accessibility. All colleagues have regular support and supervision discussions and performance reviews, where individual learning and support needs and development opportunities are discussed. Orwell's aim is to have a healthy, safe and well group of colleagues providing the very best support for our customers and there is a Health, Safety and Wellbeing strategy in place. We were delighted to be recognised as the first Suffolk-based employer to achieve the Gold level Good Health at Work award and now act as an Ambassadorial organisation as well as sitting on the advisory panel for this and for the proposed new financial wellbeing initiative.

Our median gender pay gap for 2025 was 4.1% (reduced from 4.4%) and the mean gender pay gap was 13.6% (increased from 12.1%); whilst there is a gap this is well below the national figure and represents the mix of occupancy of roles and the level of part time female colleagues; there is equity in salary, terms and conditions and policies and this is regularly benchmarked against comparable organisations. Our CEO / median staff pay ratio was 6.58.

We have continued to offer wellbeing programmes for colleagues, including support of physical and mental health and wellbeing. These include an expanded mental health first aider programme and an active group of colleagues who are 'Wellbeing Champions', raising awareness and sharing wellbeing initiatives through a planned programme of information including financial wellbeing, healthy eating, awareness days, health check information and increased domestic abuse awareness training to support colleagues and customers, and move towards achieving our Domestic Abuse Housing Alliance accreditation. Alongside this we continue to provide a Health Cash Plan and lifestyle discounts for our colleagues, enhanced parental, special, compassionate and sickness leave as well as the opportunity to take up a volunteering day each year to support the local community (whether as a team or an individual)

Orwell's Innovation scheme continues to encourage and reward colleagues for creative and innovative ideas that represent value for money and efficiency savings.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (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 2025 covering payment collection services, complaints and damp and mould processes. The Group also scrutinise key performance measures quarterly.

During the year we have restructured some of our Customer and Communities teams to reflect changes in customer priorities and demands and to ensure teams are resourced effectively.

Through this we created a specialist customer resolutions team to provide greater focus and accountability in this area and this has seen TSM satisfaction with the approach to complaints rise from 35.3% for 2024-25 to 41.1% by year end. We received 255 complaints in 2025, compared to 199 in 2024, and worked with customers to resolve these, addressing 75% at stage 1 and 98.9% within our published timescales. Three complaints were reviewed and responded to by the Housing Ombudsman during the year and two were upheld; the most common area for complaints being around handling of repairs. We have conducted learning reviews from each to further improve our approach which are monitored to completion at our Customer Insight Committee. 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 saw a drop in many of our Tenant Satisfaction Measures (TSMs) reported for the 2024-25 full year and this prompted the changes made in the year. Overall satisfaction (TP01) for Low Cost Rental Housing (LCRA) fell to 69.2% from 76.2% in 2023-24. Our 2025-26 results have shown significant improvements across many of the TSM measures. Overall satisfaction has increased to 71.9% and satisfaction with the repairs service (TP02) has increased to 79.7%, an increase of over 8% year on year. Time taken to complete a repair (TP03) has also decreased significantly, indicating the changes made during the year are having a positive impact. We have worked hard on improving our complaints performance in 2025 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 207 customers and accessed £34,071 of external funding for households in need. We have continued to provide tenancy training for new customers, holding 45 new customer welcome 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 2.0% by the end of the year.

In 2025 we undertook four roadshows at estates across our operating areas, bringing customers and colleagues together, providing valuable feedback and insight directly from our customers. Our online engagement platform continued to grow and connects over 300 customer users, empowering customers to shape change through digital channels. Developing our insight and engagement with customers and their experience is a key priority for 2026.

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 upgrades to our payment collection services during the year to improve security and efficiency of this area. We have also invested in new systems to improve the efficiency of staffing within our care services. The risk from cyber security threats continues to increase and is one of our most significant risk concerns, we have continued to invest in both colleague awareness training and in monitoring and surveillance technology to improve both our resilience and response to these threats.

ORWELL HOUSING ASSOCIATION LIMITED**Strategic report for the year ended 31 December 2025 (Continued)**

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 – we launched a new platform during the year to improve employee communication and engagement. Employee Voice is Orwell's employee forum and through this discussion and consultation takes place in respect of matters likely to impact employees' interests, 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 2025 (Continued)

Operating Performance And Value For Money

Approach to Value for Money

Orwell's Value for Money (VfM) Strategy balances financial health with our responsibilities to our customers and our social mission. It recognises risk and would not seek to increase physical or financial risk in pursuit of value for money gains.

As a social purpose business, our aim is to deliver measurable benefits to all and demonstrate that our 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 our social purpose of making a difference, which runs through all of our Rules, Strategic Plan and is fundamental to everything that we do.

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



A significant proportion of our activities are within the care and support activities, they represent approximately 20% of the properties owned and managed, but employ over 70% of our total employee team. These services are a fundamental element of our strategic priorities. The Board is committed to these activities and recognises that they offer significantly greater social value outcomes for the individuals and families that we support than financial value alone. The Board also recognises that the delivery of these has an impact on 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 2025 (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 2025 audited financial statements filed with the Regulator for Social Housing for the global accounts and VFM monitoring for 2025, being the most up to date information available at the time of publication.

Further performance measuring looks at actual performance for 2022 to 2025, compared to target performance. Additionally, a look-forward 2026 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 our 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	4,022	£47,936	100%	8%	15%
Honeycomb Housing Group	3,122	£20,848	N/A – West Mids based	5%	14%
Leeds Federated Housing	4,674	£34,853	N/A – Yorks & Humber based	4%	6%
Origin Housing	7,150	£83,642	21%	4%	6%
The Cambridge Housing Society	3,014	£29,739	100%	6%	7%
Trident Housing Association	3,116	£26,295	N/A – Midlands based	19%	13%
Tuntum Housing	1,619	£11,813	N/A –Midland based	6%	6%
Warrington Housing	1,354	£9,050	N/A – North West based	5%	12%
Westward Housing	7,293	£48,257	N/A – South West	4%	9%

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (Continued)

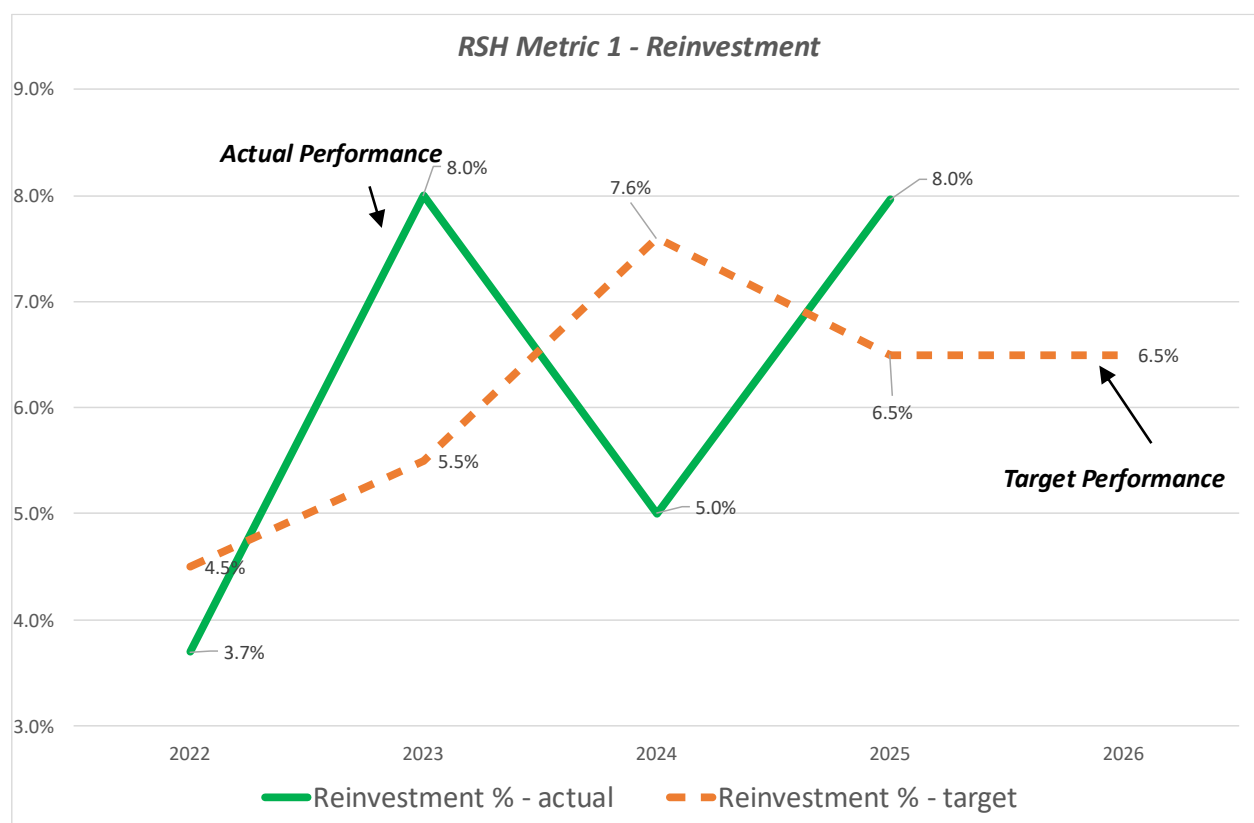
Regulator VfM metrics

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 2025:

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
8.0%	4.4%	6.9%	7.1%	6.3%

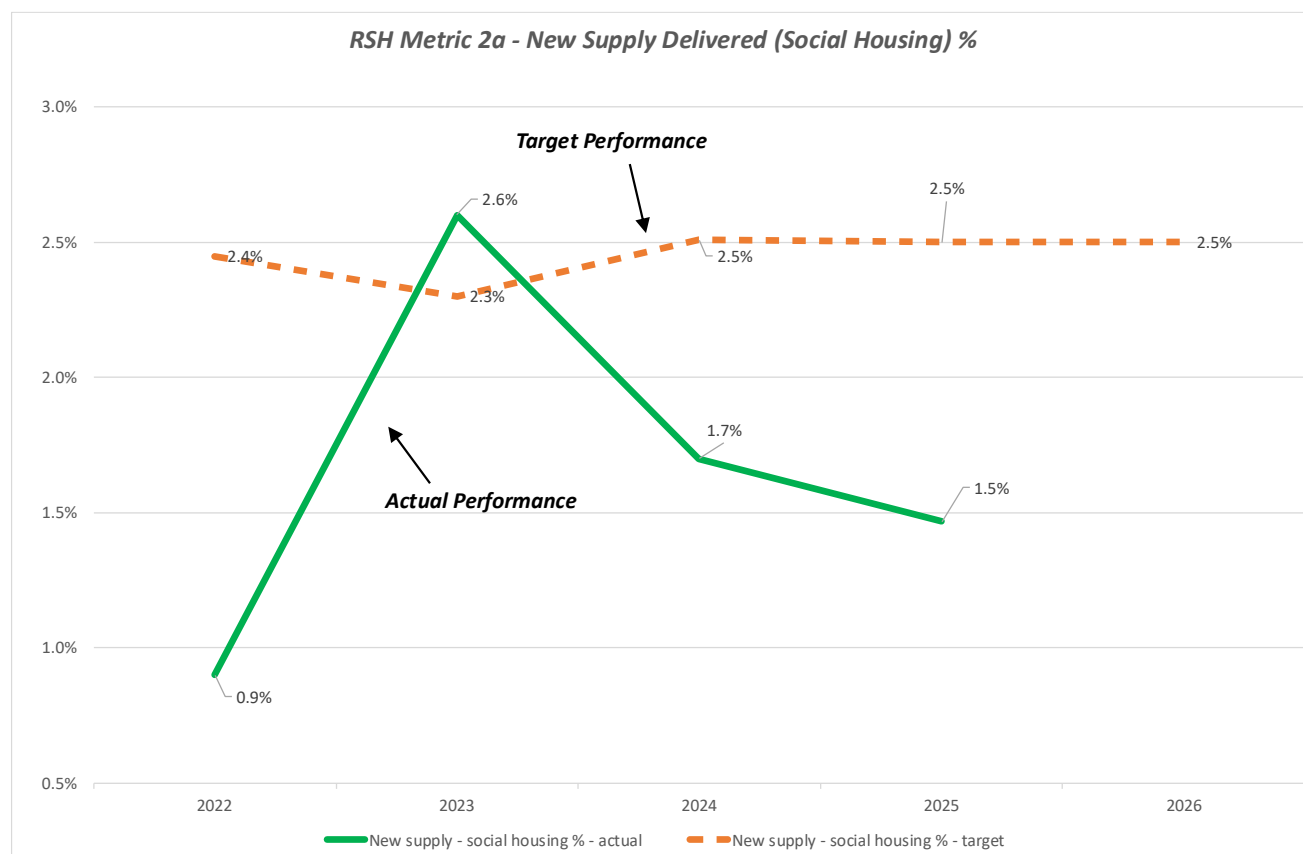


Orwell, has seen an increased level of reinvestment at 8.0% compared to last year's performance of 5.0%. Capital spend on existing stock has increased with a programme of works to improve EPC ratings on existing stock. Spend on development of new homes has continued through this year although the timing of programmes and an increase in own land sites has meant fewer completions at 59 for the year. An acquisition of 123 existing properties from Clarion have contributed to the increased reinvestment levels. Target investment is aligned with sector medians.

ORWELL HOUSING ASSOCIATION LIMITED
Strategic report for the year ended 31 December 2025 (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
1.5%	0.8%	2.3%	1.7%	1.3%



New supply of social housing decreased in 2025 to 1.5%. New supply in 2025 includes 49 rented accommodation and 10 shared ownership, giving a total of 59 new homes. This was below target and this is driven by the larger proportion of S106 sites in the programme which have experienced some slippage in timing. We have increased our land led programme across a number of sites which will complete in 2026.

The long term target remains at 100 new homes per year, equivalent to approximate 2.5% growth.



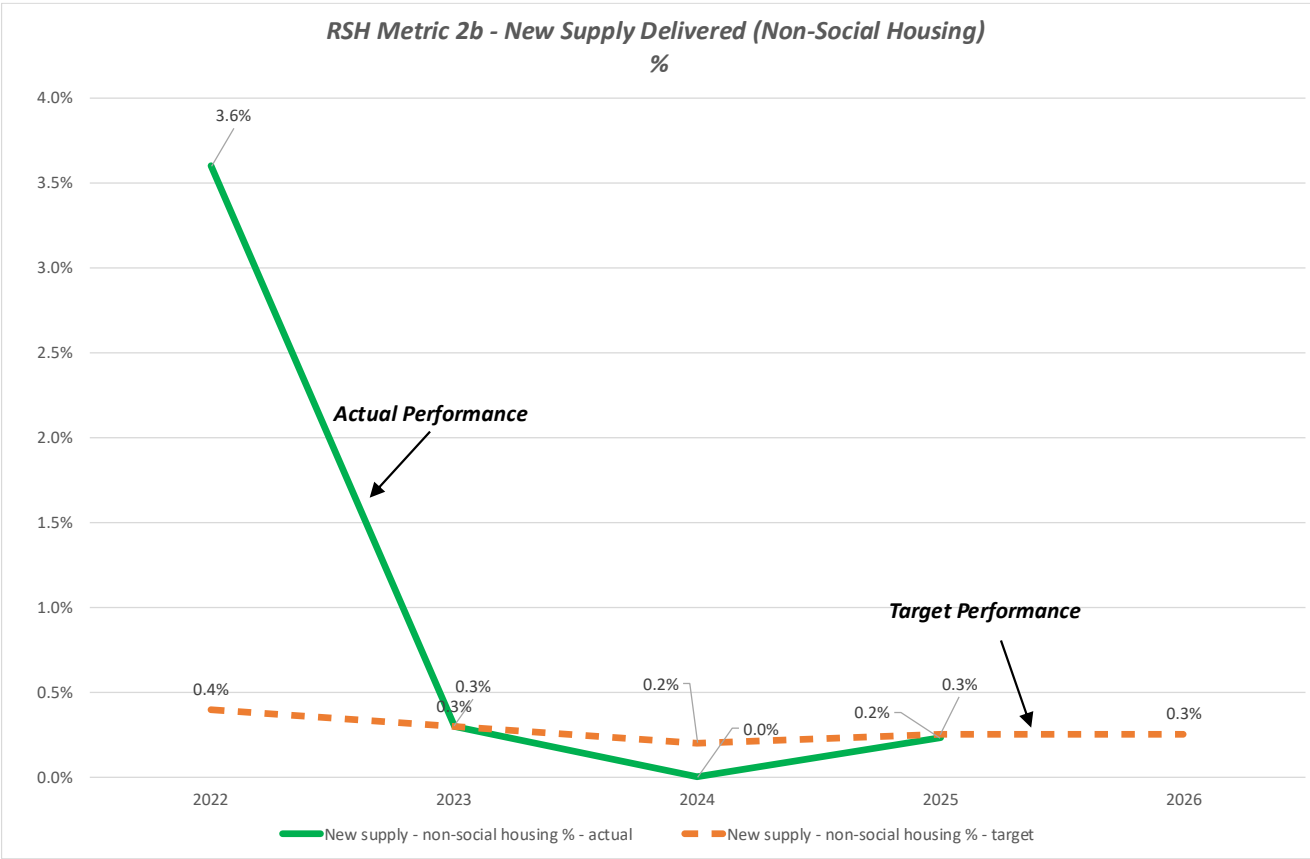
ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (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
0.2%	0.0%	0.0%	0.0%	0.0%



There were 10 new homes completed for sale during the year at Lodge Road, Holton. There is also 3 in the pipeline on site going into 2026. The target is for construction of 15 new homes per year going forward which approximates to 0.2% growth in total stock.

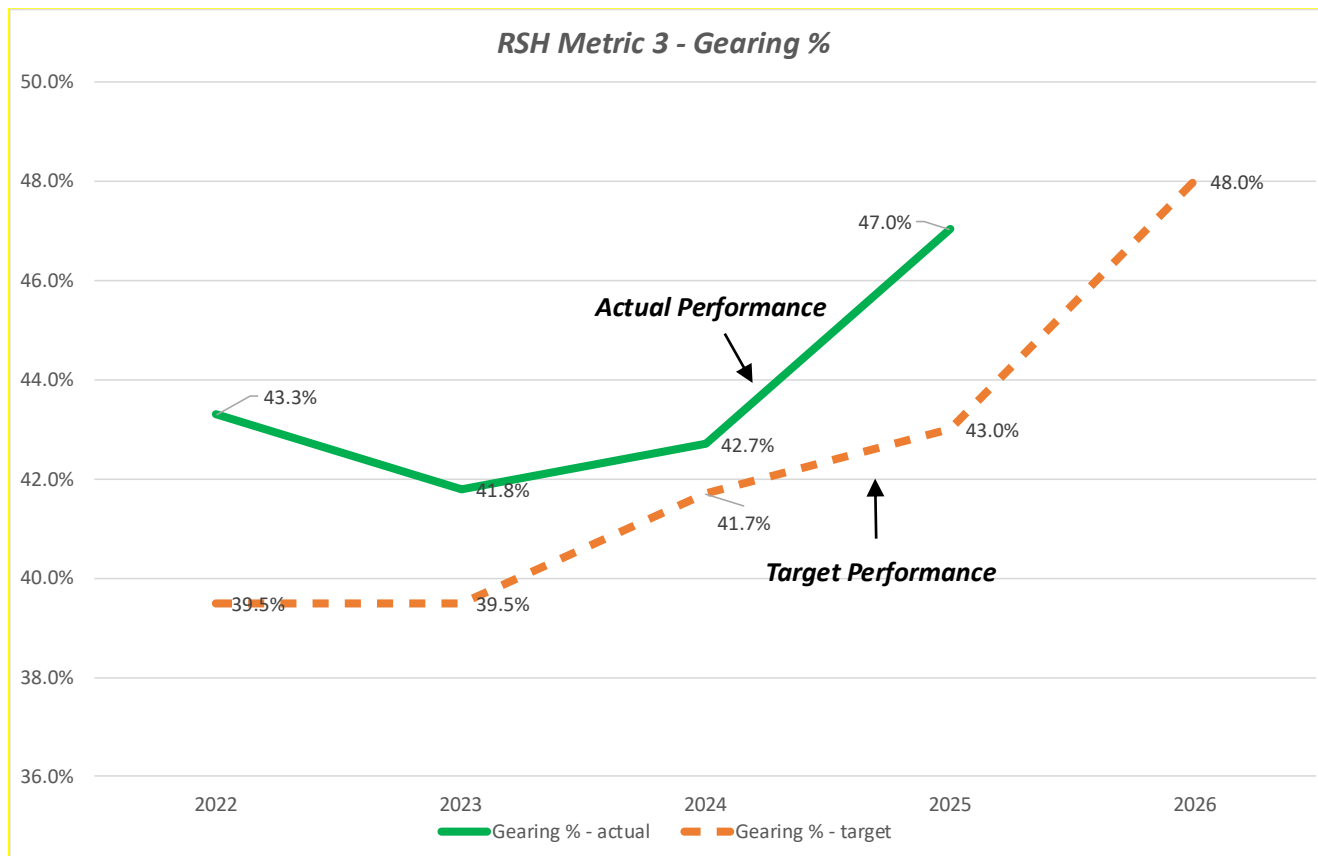
ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (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
47.0%	38.5%	46.9%	55.8%	38.8%



Gearing ratio has increased over the year following new borrowing to fund the build programme, portfolio acquisition and asset reinvestment. At 47.0%, this is slightly above the target which results from the portfolio purchase during the year. It continues to demonstrate substantial capacity for ongoing development and investment and is in line with peer group and the other comparators.

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

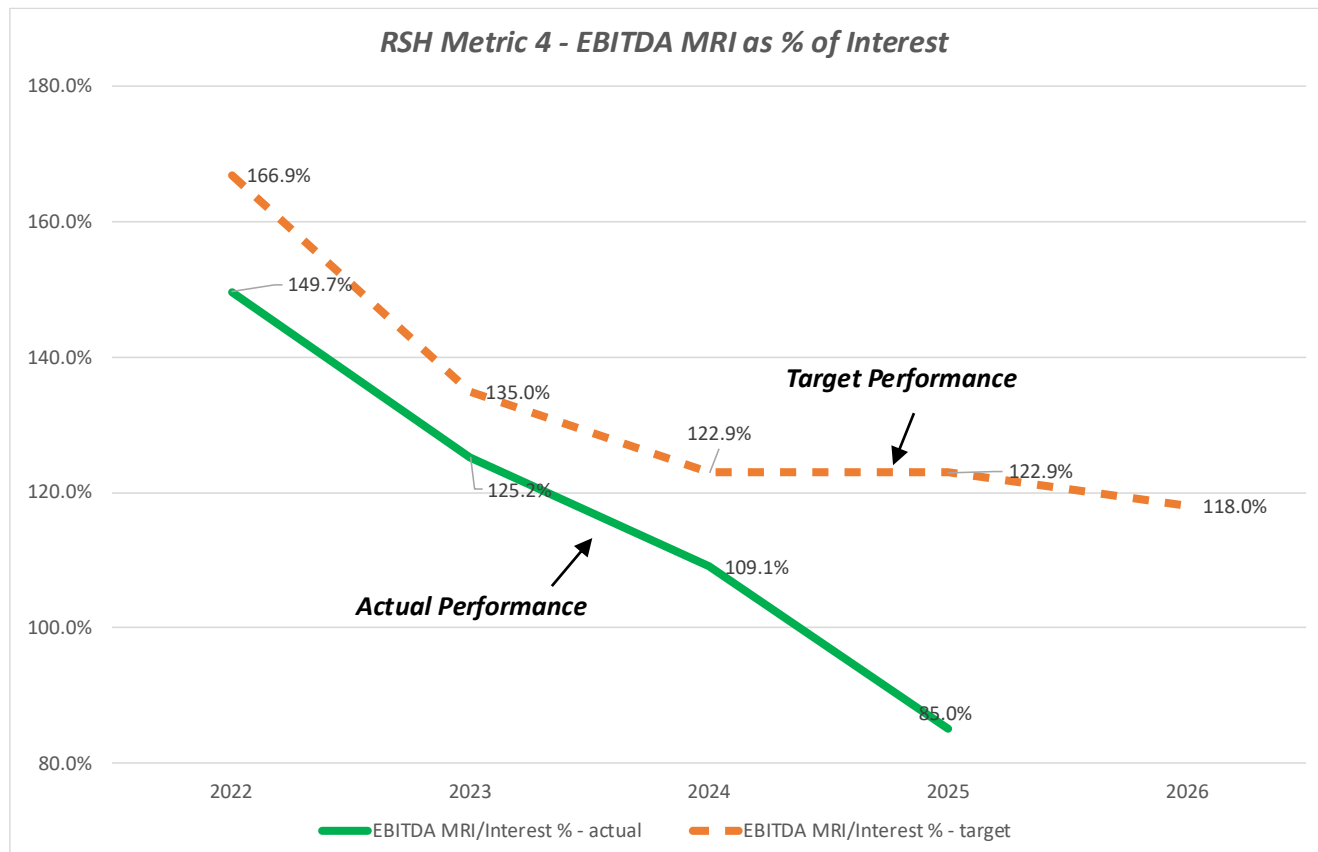
ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (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
85.0%	105.4%	152.2%	98%	122.5%



EBITDA-MRI cover at 85.0% has continued to fall steadily. 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 2025 further investment was made into improving the condition of void stock to improve void loss levels, as well as asset investment to meet EPC and reduced carbon commitments.

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.

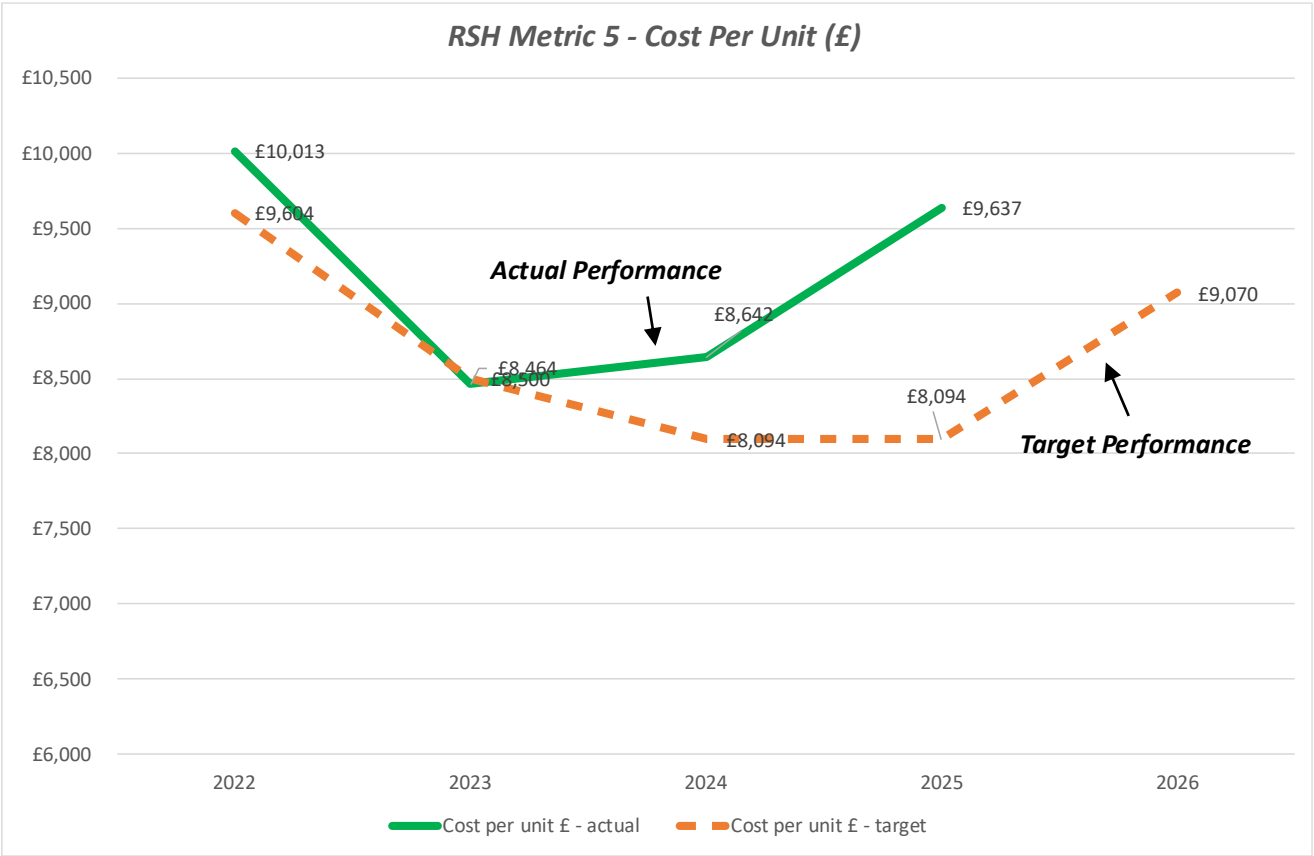


ORWELL HOUSING ASSOCIATION LIMITED
Strategic report for the year ended 31 December 2025 (Continued)

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
£9,637	£6,139	£5,235	£5,113	£5,529

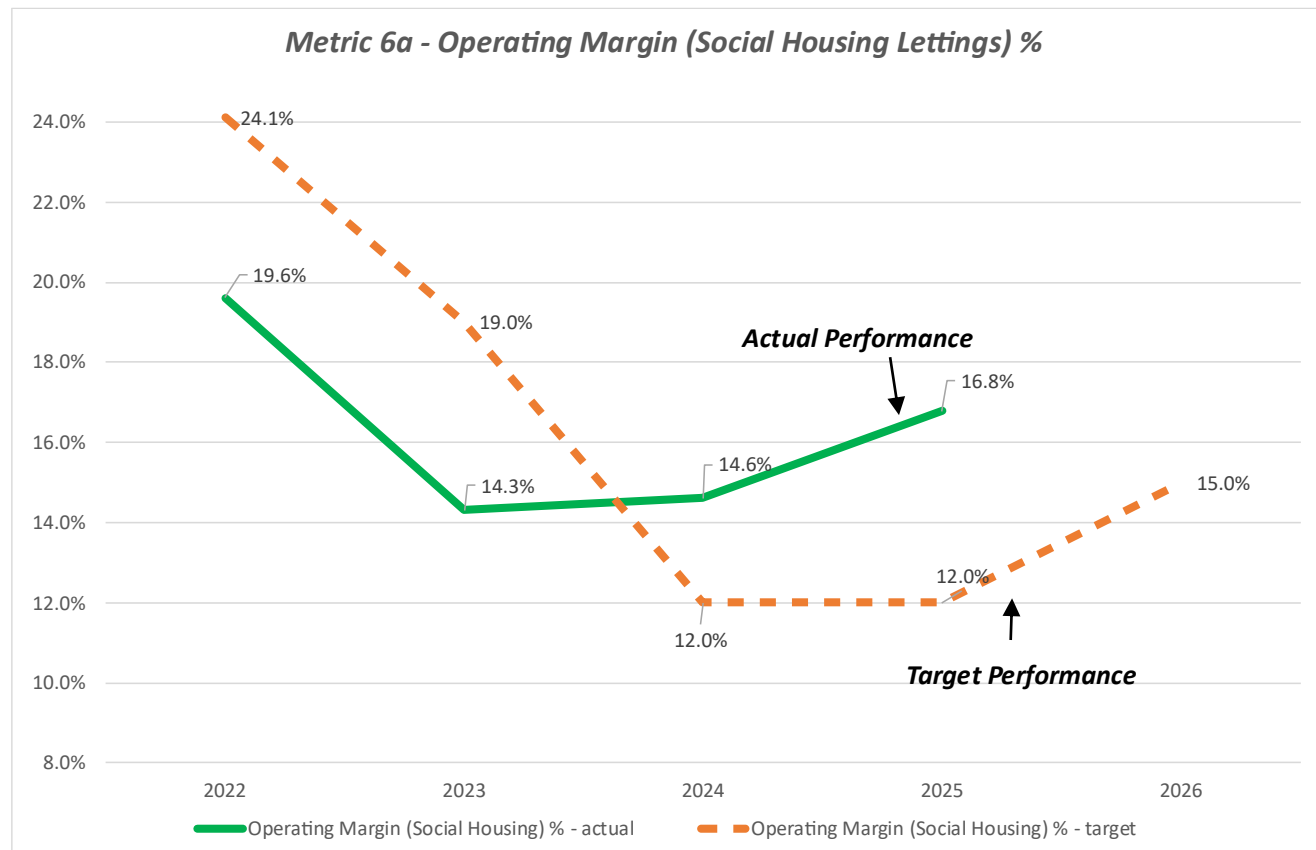


Calculation of this metric includes both support and care activities and also provision of development services (e²). Inclusion of these elements makes meaningful comparison very difficult as it makes Orwell’s figures higher than they would otherwise be. A more reflective measure of cost per unit performance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

ORWELL HOUSING ASSOCIATION LIMITED
Strategic report for the year ended 31 December 2025 (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
16.8%	17.4%	29.2%	17.4%	21.3%



Performance reached 16.8%, exceeding both prior-year levels and the annual target. The uplift in 2025 has been driven primarily by increased turnover, with CPI +1% delivering a 7.7% rise in rental income. Cost control remained strong throughout the year, with resources directed towards essential works in void properties and offset by efficiencies achieved across other expenditure areas.

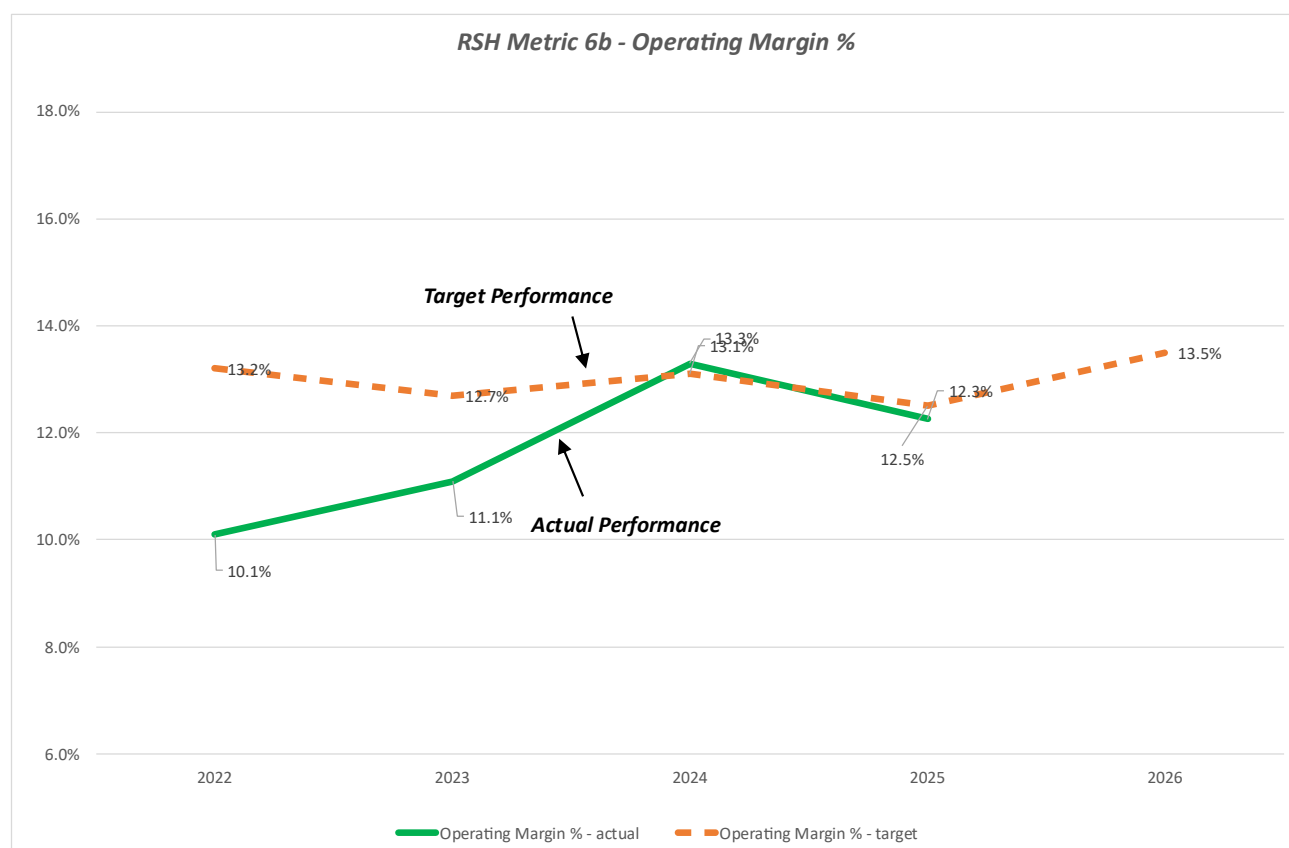
ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (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
12.3%	16.5%	26.6%	19.6%	18.5%

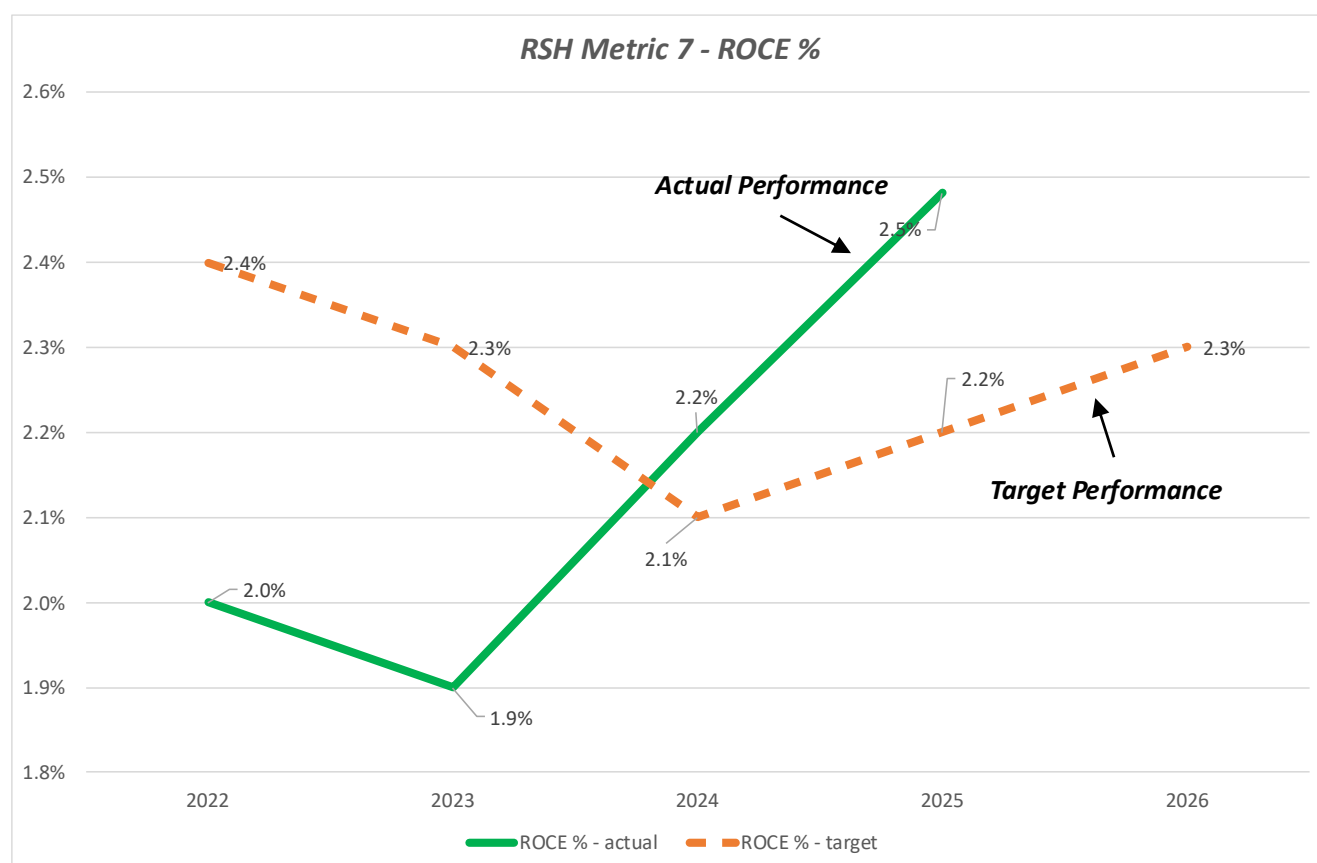


Calculation of this metric also includes support and care activities, provision of development services and the profit on disposal of property. Inclusion of these elements, in particular substantial care services, makes meaningful comparison difficult as it makes Orwell's figures lower than they would 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 2025 (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
2.5%	2.0%	3.0%	2.2%	2.5%



ROCE % of 2.5% is slightly above the target for the year of 2.2%. 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 2025 (Continued)

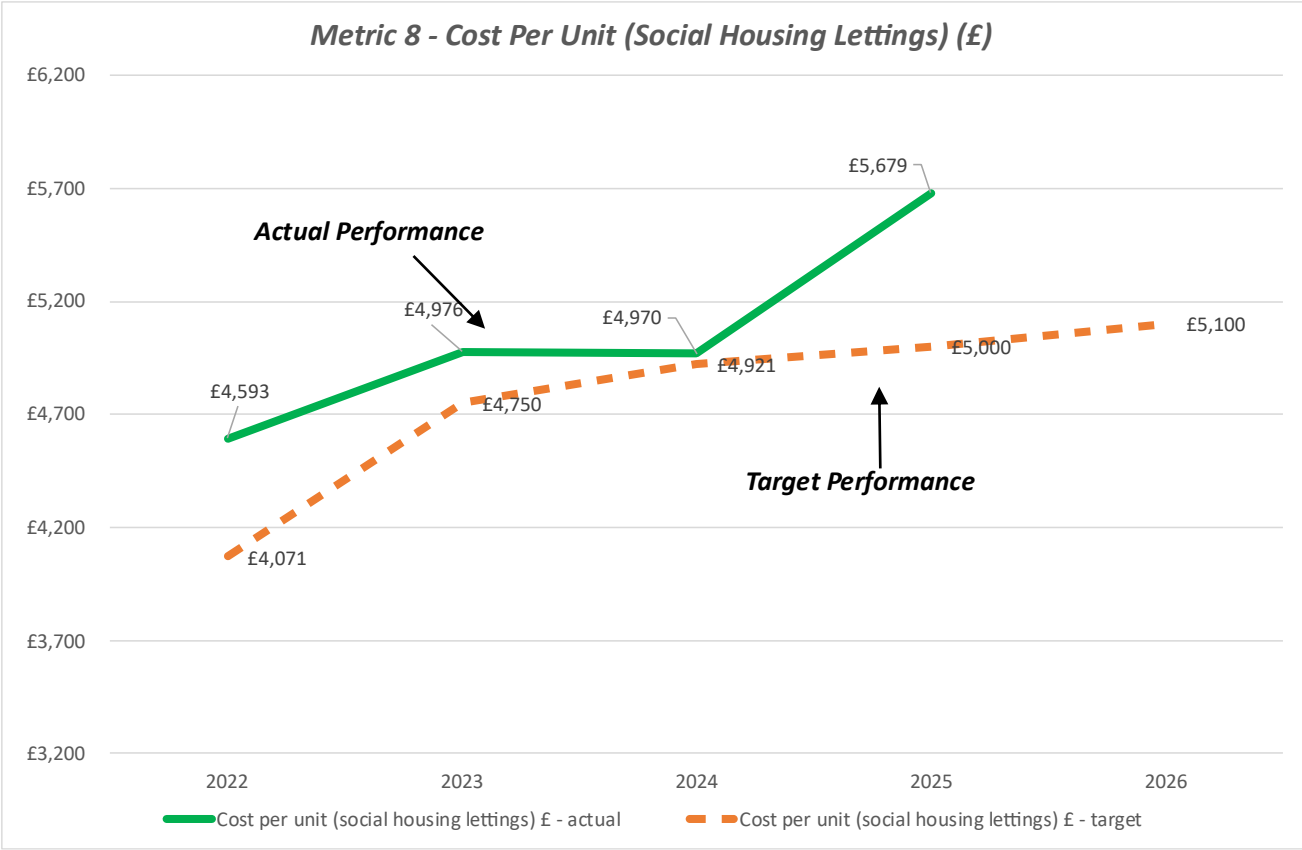
Sector Scorecard and own metrics

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
£5,679	£5,196	£5,030	£5,030	£5,096



This metric includes elements of core social housing delivery only. This is above target and both the peer group and the other comparators. In 2025 this particularly reflects the significant strategic investment in void property works over the year.

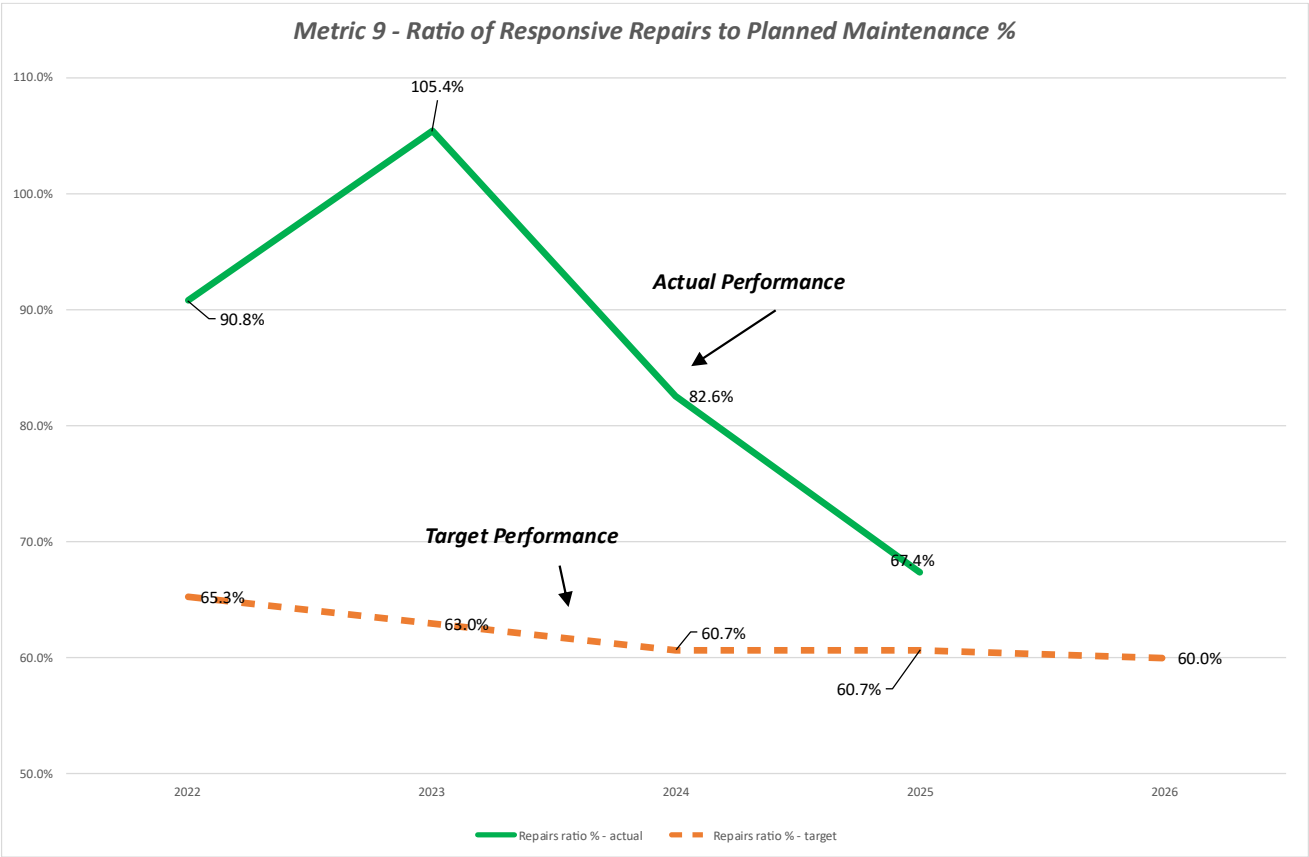


ORWELL HOUSING ASSOCIATION LIMITED
Strategic report for the year ended 31 December 2025 (Continued)

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 60%.

Orwell Housing	Peer group	East of England	Independent East	UK
67.4%	62.0%	62.5%	62.5%	62.0%



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 void properties in 2025, including some areas of damp and mould exposure, combined with a focus on completing planned component improvements including EPC improvement works.

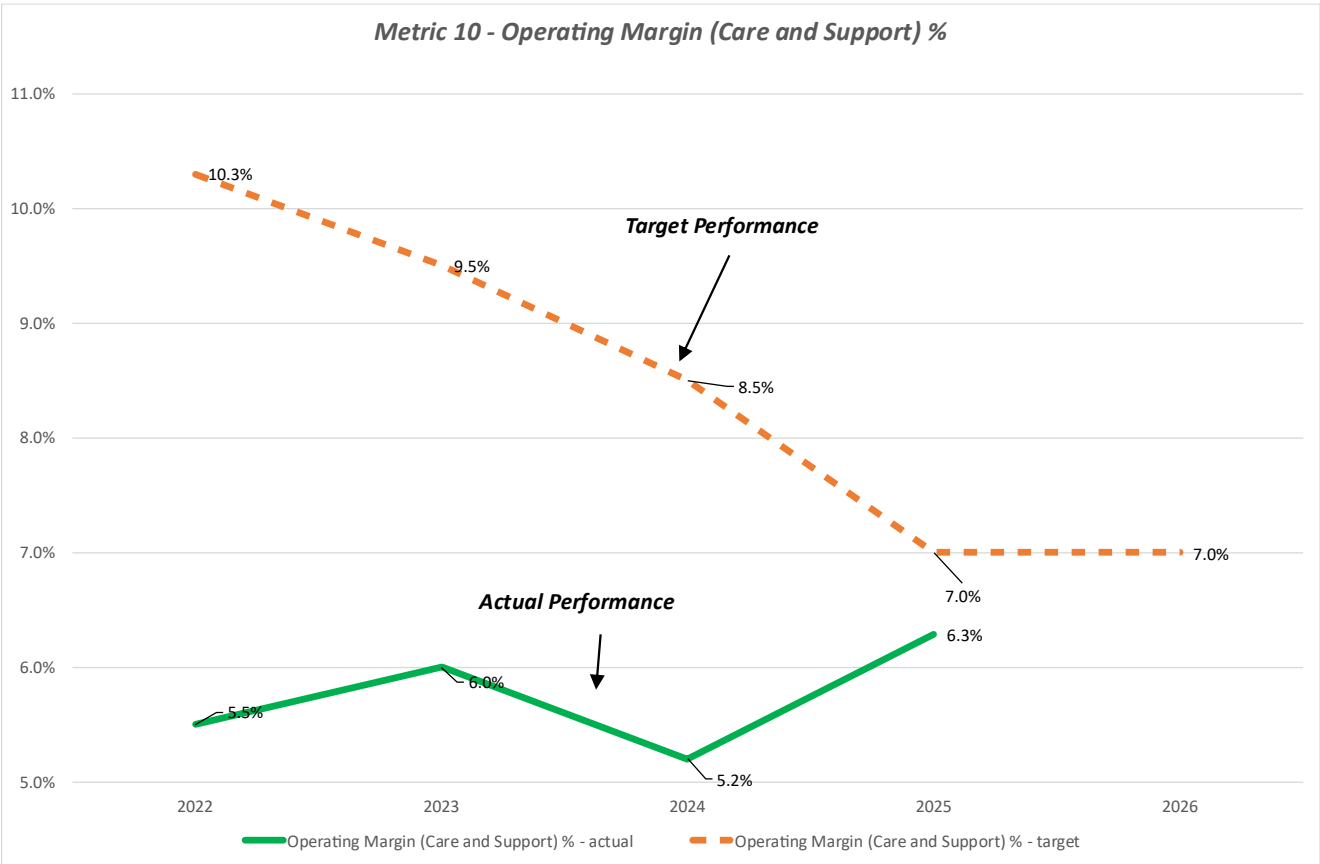


ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (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.



2025 has been a further challenging year within the Care and Support activities of Orwell. Changes to National Minimum Wage in April 2025 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. Voids in properties have impacted on the care income via a reduction in care hours, which has provided an opportunity for schemes to reset and look at staffing, meaning a reduced reliance on agency. To address this we have implemented tighter control over staffing costs which has marginally improved the overall margin rate achieved.

The actual amount of surplus has reduced from the previous year due to reduced care hours provided and the closure of one supported housing scheme. A strong focus on restructuring funding contracts within supported housing should help to improve this in 2026

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

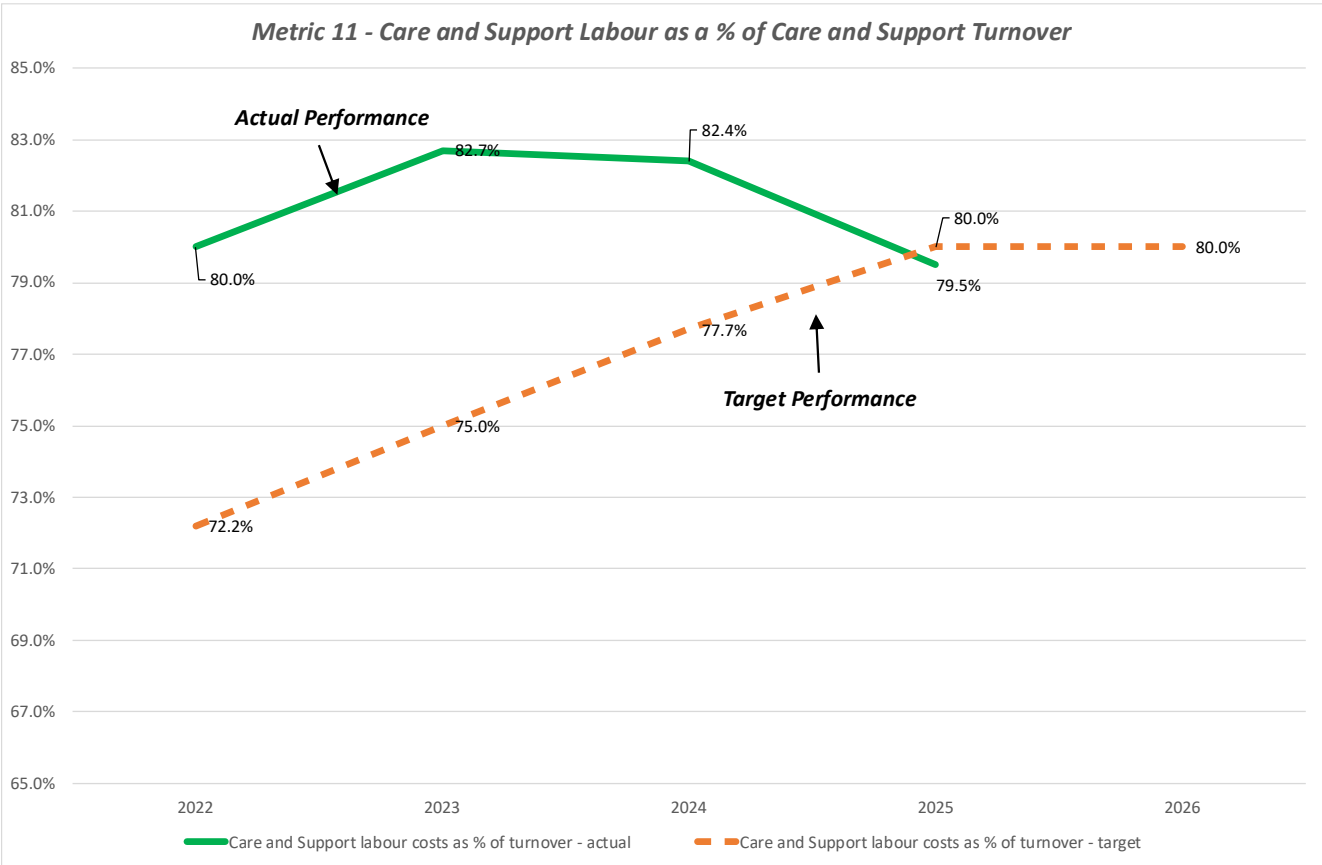


ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (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.



Pay costs 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 2025. Agency spend is also a contributor and the availability of sufficient permanent contract labour is a challenge.

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.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (Continued)

VFM Performance indicators

We have established a set of Value for Money (VFM) indicators to provide a clear view of our operational efficiency, service quality, and financial performance over the year. They highlight how effectively we are delivering core services such as repairs, customer experience, asset management, and new-home development, while also tracking cost control and productivity. These metrics allow us to assess performance against targets, understand areas of strength, and identify where further improvement is required to ensure we continue to provide good value for customers and maintain financial sustainability.

VFM Metrics	2025	Target
Repairs First Time Fix Rate	84%	90.0%
Repairs Completion within Target Repair Time	76.7%	90.0%
Customer Satisfaction with Repairs (TSM)	81.3%	75.0%
Average cost per responsive repair completed	£199	£195
% Income loss from void property - excludes properties that have a void indemnity agreement	5.6%	3.0%
Customer Satisfaction with Overall Service (TSM)	71.9%	75.0%
Care & Support agency cost as % of total service staff spend	15.8%	15.0%
Net cost per new home provided	£127,118	£150,000
Utilisation of Apprenticeship Levy	111.0%	50.0%
Overheads as a % of Turnover	16.5%	15.0%

Overall performance against the VFM indicators shows a mixed position. Several areas demonstrate strong delivery, including customer satisfaction with repairs, effective use of the Apprenticeship Levy paid to support training costs, and a lower-than-target net cost per new home provided, assisted by the portfolio acquisition during the year.

Other indicators highlight pressure points, particularly in repairs timeliness, void rent loss, and overheads, where performance remains below target and will require continued focus. Taken together, the metrics provide a view of where progress is being made and where further improvement is needed to strengthen value for money across core services and organisational operations.

We have also implemented a new payment collection system during the year that we anticipate will reduce payment collection and handling costs from 2026.



Making a Difference

Social Value 2025

We highlight the social value we created in 2025 through affordable homes, strengthened customer support, investment in learning and development and a continued commitment to colleague wellbeing and community impact.

HOMES

In 2025, our average affordable rent was **£136.43** per week, compared with the East of England average of **£178.19** per week, making our homes more affordable for local people.

In 2025, our average social rent was **£108.78** per week, which is lower than the East of England average of **£118.31** per week.



98 home adaptations were completed, investing **£79,603** to help customers live independently and reduce the reliance of health and social care support.



59 New homes built in 2025, including **43** affordable rent homes and **16** shared ownership homes, increasing the range of housing options available.



77% of our homes are rated **EPC C or above** reflecting our commitment to improving energy efficiency for our customers.



LEARNING & DEVELOPMENT

22 Colleagues completed accredited training delivered by official bodies across areas including Care and Support, Leadership, Horticulture, Carpentry and Business Administration.



417 Volunteer hours were donated, giving local people valuable work experience and helping them build confidence.



7 Apprentices were recruited, supporting skills development and future career growth.



22 Work experience placements were offered to local students, helping them gain insight into potential career pathways and future opportunities.





CUSTOMER SUPPORT

£34,071

in external funding secured by our team on behalf of customers, helping them access goods, services and essential support during financial hardship.

£4,515

of internal funding allocated to help customers purchase essential household items and reduce financial pressure.



£695

of internal funding to support customers who required help with clearing or decluttering their homes, making their living spaces safer and easier to manage.



£4,497

raised through the Orwell Make A Difference (MAD) fund providing customers with essential items when they were most needed.



207 customers

received assistance through our Tenancy Sustainment service, helping them maintain stable and secure homes.

111



Customers successfully moved on from our Temporary Supported Housing (TSH) services, progressing toward more independent living.

12,295

customer interactions helped shape future services by giving feedback and reviewing our work.



Over 700

people received care and support services helping them retain their independence.



COLLEAGUE SUPPORT

35

colleagues across the organisation are trained Mental Health First Aiders, helping to raise awareness, reduce stigma, and provide support so colleagues can stay in work or return to work when facing mental health challenges.



ORWELL HOUSING ASSOCIATION LIMITED**Strategic report for the year ended 31 December 2025 (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 £7,316,000, compared to the previous year of £6,065,000. This year has seen growth in turnover from rental income and care services, offset by a reduction in sales in shared ownership and open market sale properties. Operating expenditure has increased with continuing cost pressure in materials and labour in the maintenance and care activities. There was a significant impact from changes in minimum wage and employer national insurance changes.

Group turnover for the year increased to £47,936,000, from £47,333,000 the previous year; an increase of £603,000. Turnover from social housing lettings increased by £2,191,000 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 £1,195,000, a decrease of £466,000. There were no external sales completed by Orwell Homes Limited during the period. Disposal of existing property contributed surplus of £1,439,000.

Orwell received a transfer of six housing properties from Phoenix Community Homes together with £75,000 in cash, which has been treated as a donation totaling £1,215,000.

Group operating expenditure for the year increased to £41,081,000 from £39,295,000 last year; an increase of £1,786,000.

Expenditure on housing stock maintenance comprises both revenue and capital spend and for the year was £10,437,000 (2024: £8,501,000), an increase of £1,936,000, reflecting investment in Orwell's housing stock including in void property.

Net interest costs for the year have risen to £4,641,000, from £4,548,000 last year, reflecting the net increase in drawn loan balances of £20,500,000 over the year and the reduction in variable interest rates. The base rate has reduced steadily from 4.75% at December 2024 to 3.75% by December 2025. Orwell's weighted average interest rate remains consistent year on year at 3.9%.

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 £243,000 compared to a gain of £70,000 last year, including the capping of the LGPS asset of £660,000 as set out in Note 28.

The market rented portfolio acquired in the year has been revalued, leading to a gain on revaluation of £1.2m.

The net result of the above financial performance is a Group retained surplus for the year of £5,326,000 (2024: £1,587,000) which has been transferred to 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 £4,970,000 compared with £8,780,000 for 2024. Cash less grant expended for the construction and purchase of housing properties, including the portfolio of homes acquired from Clarion Housing Group, during the year was £20,249,000.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (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 complete an extension and amendment of revolving credit facilities (RCF) with Orwell's existing banks. This also enabled the Board to negotiate an amendment to move all financial covenants to an EBITDA only basis of interest cover measurement which provides additional capacity and flexibility to support the continuing investment. In February 2025 terms were agreed with Lloyds Bank plc to extend existing RCF facilities by £10 million, and this has also been completed and fully secured in 2025. Together with the new RCF Facility provided by National Westminster Bank plc in December 2024, this provides secured long term finance to support the continuing development and investment programme.

The RCF facilities agreed with Lloyds Bank plc include Sustainability Linked interest targets:

Measure	Baseline	2025 Target	2025 Actual	2026 Target
Properties achieving EPC C	71.9%	73.0%	76.6%	79.0%
New homes completed	85	85	59	170
Overall customer satisfaction (TSM01)	69.2%	75.0%	71.9%	75.5%

In recent years, the Board took advantage of competitive interest rates 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 60% to 80% fixed interest rates. During the year the Board agreed a revised Treasury Management Policy that removes a fixed target of fixed interest debt and enables the Board to set annual strategic targets and objectives to suit economic and business conditions. The proportion has now reduced to 64% at December 2025 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 2026. The maturity profile of Orwell's and Group's loans is set out in note 26.

At 31 December 2025 Orwell had total undrawn revolving credit facilities of £25.5 million (2024: £41.0 million), which is fully secured and immediately available to draw. The Group also had cash balances of £2,087,000 (2024: £2,493,000).

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 2025 (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 5 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 4 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 4 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
 Lauren Aitchison (appointed 4 June 2025)
 Stuart Appleby
 Joanna Ballman
 Tom Brown
 Scott Hayward (resigned 23 July 2025)

Pamhi Mulambo
 Ian Pinches
 Brett Rennolds
 Andrew Ryde (appointed 23 July 2025)
 Tracey Spencer (appointed 4 June 2025)
 Stephen White (resigned 4 June 2025)

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

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (Continued)

Chief Executive and Executive Team

The executive officers of Orwell who served during 2025 were as follows:

Wendy Evans-Hendrick	Chief Executive
David Hall	Director of Finance
Michelle Harrison	Director of People and Culture
Tony Long	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 by every employee, supported by the business planning process and management of strategic risks. Whilst recognising the need to understand and monitor risk, Orwell acknowledges the need for realistic risk control and management to provide a sound basis on which to carry out business and not constrain opportunity. Orwell operates a risk management framework to monitor, manage, and mitigate risk, as appropriate, within its clearly understood risk appetite. Board reviews risk appetite annually with an externally facilitated review every 3 years, the last externally facilitated review was in 2025.

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 & Risk Committee.

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

- Financial viability sustaining business operations and growth ambitions;
- Macroeconomic and Political change leading to external threats to business operations;
- Information security including cyber security incident;
- 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 2025 (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 & Risk 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 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 an incident occurring that affects the overall reputation of Orwell the Board will expect all involved to be open and honest providing the details required to allow the incident to be effectively managed and lessons to be learned to inform improvement actions.

Key elements of the internal control framework are:

- a working environment which includes a commitment to quality and effective leadership, communication of organisational values, an appropriate organisational structure, independence integrity and required skills at Board level, appropriate delegation of authority, Rules and Standing Orders that establish key operational principles and clear delegations, along with a professional approach to financial reporting;
- a robust risk management and assurance framework, including Board's statement of Risk Appetite;
- monitoring through internal audit of systems and controls and annual programme of specific risk based internal audits is agreed and performed by external advisers;
- 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 at least annually 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 act;
- detailed information presented to Board throughout the year covering; financial, operational and compliance performance, compliance with funding covenants, 3-year cashflow projections, treasury performance, 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 legislation and regulation; and
- a Strategic Plan, annual Delivery Plan and policies and procedures in place to support the running of an effective organisation, which include code of conduct, 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 2025 (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 & Risk 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 provides Orwell with independent and objective assurance that risk management, governance and internal control processes are operating effectively across a range of Orwell's activities. Where assurance is required on a specialist area Orwell will procure this audit work in addition to the internal audit programme.

The Audit & Risk 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. An additional assurance review report is presented to Audit & Risk Committee annually to identify the sources of assurance for key risk areas that are not covered by the internal audit programme. The Audit & Risk Committee reports to the Board on its work after each meeting.

The 2025 annual report from Orwell's internal auditors sets out the following internal audits and advisory reports:

System Audited Report Date	Assurance Assessment	Improvement Actions and Update
Void Management March 2025	Limited Assurance	All agreed improvement actions have been completed
Health and Safety – Damp and Mould April 2025	Reasonable Assurance	All agreed improvement actions have been completed
Safeguarding June 2025	Reasonable Assurance	Improvement actions were agreed, and progress is monitored by Audit & Risk Committee. Currently 2 improvement actions remain outstanding.
Data Quality September 2025	Reasonable Assurance	Improvement actions were agreed, and progress is monitored by Audit & Risk Committee. Currently 8 improvement actions remain outstanding.
Key Financial Controls including payroll October 2025	Limited Assurance	Improvement actions were agreed, and progress is monitored by Audit & Risk Committee. Currently 3 improvement actions remain outstanding.

ORWELL HOUSING ASSOCIATION LIMITED

Strategic report for the year ended 31 December 2025 (Continued)

Risk Management And Statement On Internal Controls Assurance (continued)

System Audited Report Date	Assurance Assessment	Improvement Actions and Update
Risk Management October 2025	Reasonable Assurance	Improvement actions were agreed, and progress is monitored by Audit & Risk Committee. Currently 4 improvement actions remain outstanding.

From the internal audit reports finalised in the year, two urgent improvement actions were identified in relation to Void Management, both have been fully implemented. Where important and routine actions have been agreed, Orwell has responded by investing time and resource to improve the position.

Fraud

The Board has in place a set of fraud and speaking up (whistleblowing) policies and procedures which are reviewed on a regular basis, during 2025 a full policy review and a fraud risk assessment was undertaken in response to The Failure to Prevent Fraud offence which was introduced in the year.

The fraud policy and response plan 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 2025, there were three occurrences of fraud, all incidents have been reviewed for lessons learned and additional controls implemented to support prevention, risk registers have also been reviewed and updated to reflect this.

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.

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. Orwell has not been inspected against the Consumer Standard and therefore does not currently have a C rating.

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 2025 (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 13 May 2026 and signed on its behalf by:

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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 2025 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 2025 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 36, 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.

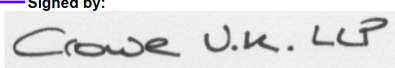
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance 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:

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Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

14 May 2026

ORWELL HOUSING ASSOCIATION LIMITED**Statement of comprehensive income for the year ended 31 December 2025**

	Note	2025		2024	
		Group £000	Association £000	Group £000	Association £000
Turnover	4	47,936	47,936	47,333	46,002
Cost of sales	4	(978)	(978)	(2,663)	(1,351)
Operating expenditure	4	(41,081)	(40,946)	(39,295)	(39,242)
Profit on disposal of housing properties	9	1,439	1,439	690	690
Operating surplus	4, 8	7,316	7,451	6,065	6,099
Gift Aid		-	134	-	4
Donation income	10	1,215	1,215	-	-
Interest receivable	11	44	126	59	59
Interest and finance costs	12	(4,685)	(4,685)	(4,607)	(4,589)
Surplus for the year before tax		3,890	4,241	1,517	1,573
Taxation	13	-	-	-	-
Surplus for the year after tax		3,890	4,241	1,517	1,573
Actuarial gain/(loss) in respect of pension schemes	28,29	243	243	70	70
Revaluation gain / (loss) of investment properties		1,193	1,193	-	-
Total comprehensive income for the year		5,326	5,677	1,587	1,643

The financial statements on pages 41 to 81 were authorised and approved for issue by the Board on 13 May 2026 and signed on its behalf by

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 Helen Galbraith
 Chair

Signed by:

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 Dayle Bayliss
 Vice-Chair

DocuSigned by:

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 Amanda Sargeant
 Secretary

The notes on pages 45 to 81 form part of these financial statements.

ORWELL HOUSING ASSOCIATION LIMITED**Statement of changes in reserves for the year ended 31 December 2025**

Group	General reserve £000	Restricted reserve £000	Total £000
Balance at 1 January 2024	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
Surplus for the year	5,326	-	5,326
Transfer from general reserve to restricted reserve	(42)	42	-
Transfer from restricted reserve to general reserve	-	-	-
Balance as at 31 December 2025	82,114	512	82,626

Association	General reserve £000	Restricted reserve £000	Total £000
Balance at 1 January 2024	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
Surplus for the year	5,677	-	5,677
Transfer from general reserve to restricted reserve	(42)	42	-
Transfer from restricted reserve to general reserve	-	-	-
Balance as at 31 December 2025	81,104	512	81,616

The notes on pages 45 to 81 form part of these financial statements.

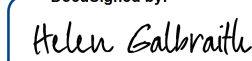
ORWELL HOUSING ASSOCIATION LIMITED

Statement of financial position for the year ended 31 December 2025

	Note	2025		2024	
		Group £000	Association £000	Group £000	Association £000
Fixed assets					
Intangible fixed assets	14	187	187	273	273
Housing properties	15, 16	289,573	290,553	272,019	272,719
Other tangible fixed assets	17	2,496	2,496	2,489	2,489
Investment properties	18	4,910	4,910	-	-
Investments	19	971	971	989	989
		<u>298,137</u>	<u>299,117</u>	<u>275,770</u>	<u>276,470</u>
Current assets					
Stock and work in progress	20	7,484	2,541	2,346	431
Debtors	21	4,894	7,616	5,131	5,104
Cash and cash equivalents		2,087	2,071	2,493	1,985
		<u>14,465</u>	<u>12,228</u>	<u>9,970</u>	<u>7,520</u>
Creditors: amounts falling due within one year	22	(17,750)	(17,503)	(13,104)	(12,715)
Net current assets		<u>(3,285)</u>	<u>(5,275)</u>	<u>(3,134)</u>	<u>(5,195)</u>
Total assets less current liabilities		<u>294,852</u>	<u>293,842</u>	<u>272,636</u>	<u>271,275</u>
Creditors: amounts falling due after more than one year	23	(211,220)	(211,220)	(193,584)	(193,584)
Provisions for liabilities					
Defined benefit pension scheme liability	28, 29	(1,006)	(1,006)	(1,752)	(1,752)
Other provisions					
Total net assets		<u>82,626</u>	<u>81,616</u>	<u>77,300</u>	<u>75,939</u>
Capital and reserves					
Called up share capital	32	-	-	-	-
Restricted reserves	32	512	512	470	470
General reserves	32	82,114	81,104	76,830	75,469
		<u>82,626</u>	<u>81,616</u>	<u>77,300</u>	<u>75,939</u>

The financial statements on pages 41 to 81 were authorised and approved for issue by the Board on 13 May 2026 and signed on its behalf by

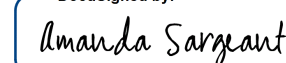
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 Helen Galbraith
 Chair

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 Dayle Bayliss
 Vice-Chair

DocuSigned by:


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 Amanda Sargeant
 Secretary

The notes on pages 45 to 81 form part of these financial statements.

ORWELL HOUSING ASSOCIATION LIMITED**Consolidated statement of cash flows for the year ended 31 December 2025**

	Note	Group 2025 £000	Group 2024 £000
Net cash inflow from operating activities	36	4,970	8,780
Cash flow from investing activities			
Acquisition and construction of housing properties		(17,878)	(10,504)
Purchase of other tangible fixed assets		(3,986)	(3,516)
Purchase of investment properties		(3,498)	-
Sale of housing properties		2,491	1,259
Sale of other tangible fixed assets		-	15
Social Housing and Other Grants received		2,578	2,764
Interest received		44	59
Net cash outflow from investing activities		(20,249)	(9,923)
Net cash (outflow)/inflow before financing activities		(15,279)	(1,143)
Cashflow from financing activities			
Housing loans received		25,856	8,000
Housing loans repaid		(6,053)	(1,806)
Housing finance costs incurred		(272)	(227)
Interest paid		(4,658)	(4,617)
Net cash (outflow)/inflow from financing activities		14,873	1,350
Net change in cash and cash equivalents	37	(406)	207
Cash and cash equivalents at beginning of the year		2,493	2,286
Cash and cash equivalents at end of the year		2,087	2,493
Cash and cash equivalents comprise:		2025 £000	2024 £000
Cash at bank		2,087	2,493
		2,087	2,493

The notes on pages 45 to 81 form part of these financial statements.

ORWELL HOUSING ASSOCIATION LIMITED

Notes forming part of the financial statements for the year ended 31 December 2025

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 Orwell and enterprises controlled by Orwell (its subsidiary) 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.

Eastern Procurement is not controlled by the Group and therefore is not included within the consolidated financial statements.

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 2025 (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 assets 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 asset 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 2025 (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 2025 (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.

Investment properties

Investment properties are those held to earn rental income or for capital appreciation. They are measured at fair value at each reporting date, with gains or losses recognised in the Statement of Comprehensive Income. Fair values are determined using market evidence and valuation techniques appropriate to the property type.

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.

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalised as part of the cost of those assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

Capitalised borrowing costs represent interest incurred in connection with the financing of the development of residential properties. Capitalisation commences when:

ORWELL HOUSING ASSOCIATION LIMITED

Notes forming part of the financial statements for the year ended 31 December 2025 (*Continued*)

- expenditure for the asset is being incurred
- borrowing costs are being incurred
- activities necessary to prepare the asset for its intended use or sale are in progress

Capitalisation ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

Borrowing costs that do not meet the criteria for capitalisation are recognised as an expense in the period in which they are incurred.

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.

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.

ORWELL HOUSING ASSOCIATION LIMITED

Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)

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.

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.

ORWELL HOUSING ASSOCIATION LIMITED

Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)

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.

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.

ORWELL HOUSING ASSOCIATION LIMITED

Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)

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 2025 and full details are disclosed in note 27. 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 2025 and full details are disclosed in note 28.

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.

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 2025 (2024: £Nil).

Donated housing properties

Judgement has been applied in recognising and measuring buildings donated to the Group during the year. Fair value has been determined by an independent valuer, and management has assessed the valuation methodology, assumptions and market evidence used.

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.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)**

3 Critical accounting estimates and areas of judgement (continued)*Investment properties*

Management has exercised judgement in determining that certain properties meet the definition of investment property under FRS 102, as they are held primarily to earn rental income or for capital appreciation rather than for operational social housing use.

Investment properties are measured at fair value at each reporting date. Judgement is applied in selecting valuation methodologies and key assumptions due to the nature of the property market and availability of comparable evidence.

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 2025 (Continued)****4 Turnover, operating expenditure and operating surplus**

2025	Turnover £000	Cost of sales £000	Operating expenditure £000	Operating surplus £000
Social housing lettings (see note 5)	27,262	-	22,688	4,574
Other social housing activities:				
First tranche low cost home ownership sales	1,195	978	-	217
Charges for support services	5,038	-	5,038	-
Development services	77	-	5	72
Care	11,754	-	10,698	1,056
Total other social housing activities	18,064	978	15,741	1,345
Non-social housing activities:				
Market Rent	2,610	-	2,518	92
Profit on disposal of housing properties	-	-	-	1,439
Association activities	47,936	978	40,947	7,450
Subsidiary company	-	-	134	(134)
Group activities	47,936	978	41,081	7,316

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****4 Turnover, operating expenditure and operating surplus (continued)**

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

Other social housing activities - charges for support services includes £1,143,839 of Supporting People income (2024: £1,143,932).

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (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	2025 Total £000	2024 Total £000
Income					
Rent receivable net of identifiable service charges	17,674	3,582	669	21,925	19,984
Service charge income	746	2,722	157	3,625	3,385
Amortised government grants	734	188	18	940	978
Government grants taken to income	3	-	-	3	9
Other income	156	609	4	769	715
Turnover from social housing lettings	19,313	7,101	848	27,262	25,071
Operating expenditure					
Management	5,797	2,156	92	8,045	7,617
Service charge costs	1,459	1,969	30	3,458	3,409
Routine maintenance	3,756	886	19	4,661	3,972
Planned maintenance	1,266	678	8	1,952	1,386
Bad debts	225	69	-	294	220
Depreciation of housing properties	3,003	711	218	3,932	3,773
Lease costs	156	190	-	346	330
Operating expenditure on social housing lettings	15,662	6,659	367	22,688	20,707
Operating surplus on social housing lettings	3,651	442	481	4,574	4,364
Void losses	(421)	(236)	-	(657)	(512)

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****6 Employees**

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

	2025		2024	
	Full time	Part time	<i>Full time</i>	<i>Part time</i>
Administration	147	70	142	73
Wardens/Care Workers	49	388	79	374
Gardeners/Caretakers/Repairs	56	9	57	7
	<u>252</u>	<u>467</u>	<u>278</u>	<u>454</u>

The above represents full time equivalents of 567 (2024: 576).

	2025	2024
	£000	£000
Staff costs consist of:		
Wages and salaries	18,649	17,956
Social security costs	1,969	1,459
Defined contribution pension costs	254	404
Other pension costs and current service cost	125	154
	<u>20,997</u>	<u>19,973</u>

Orwell made payments of £32,837 (2024: £1,730) under redundancy and settlement agreements costs have been included within wages and salaries. In relation to this cost associated Employers NI costs of £4,532 (2024: £239) are included in social security costs.

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

	2025	2024 (as restated)
£60,000 - £69,999	7	1
£70,000 - £79,999	2	3
£80,000 - £89,999	-	-
£90,000 - £99,999	1	2
£100,000 - £109,999	2	2
£110,000 - £119,999	2	1
£120,000 - £129,999	1	1
£130,000 - £139,999	-	-
£140,000 - £149,999	-	-
£150,000 - £159,999	-	-
£160,000 - £169,999	-	-
£170,000 - £179,999	1	1

2024 comparatives have been restated to include employers pension contributions.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****7 Directors Emoluments**

Directors are defined as the twelve members of the Board (2024: ten) together with the four members of the senior management team (2024: four), which includes the Chief Executive. Board member remuneration during the year was as follows:

Group and Association

	2025	<i>2024</i>
	£000	<i>(as restated)</i>
		<i>£000</i>
Jeanette Alfano (retired 27 March 24)	-	1
Stuart Appleby	5	5
Dayle Bayliss	9	8
Lauren Aitchison (appointed 04 June 25)	3	-
Tom Brown	7	7
Helen Galbraith	12	12
Pamhi Mulambo	5	5
Andrew Ryde (appointed 23 July 25)	2	-
Ian Pinches	7	7
Brett Rennolds	5	5
Barbara Thorndick (retired 27 March 24)	-	2
Stephen White (retired 04 June 25)	2	5
Joanna Ballman	5	4
Scott Hayward (resigned 14 July 25)	3	2
Tracey Spencer (appointed 04 June 25)	3	-
Total emoluments – non-executive	68	63
Emoluments - executive	460	461
Pension scheme contributions – executive	76	65
Total Key Management compensation – sixteen (2024: eighteen)	1,059	1,182
Emoluments of the highest paid director	154	153

2024 comparatives have been restated to exclude employers NIC.

Two executive directors (2024: two) 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 £45,191 (2024: £49,647). 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 2025 (Continued)****8 Operating surplus**

	2025		2024	
	Group	Association	Group	Association
	£000	£000	£000	£000
This has been arrived at after charging:				
Housing properties depreciation	3,978	3,978	3,768	3,768
Other depreciation and amortisation	240	240	190	190
Internal auditors' remuneration	29	29	70	70
Hire of assets – operating leases – land and buildings	1,614	1,614	1,579	1,579
Hire of assets – operating leases – motor vehicles	314	314	256	256
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	33	28	31	27
Taxation compliance services	12	12	3	3
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

9 Profit on disposal of housing properties

	2025		2024	
	Group	Association	Group	Association
	£000	£000	£000	£000
External disposals				
Disposal proceeds	2,491	2,491	1,259	1,259
Cost, less Social Housing Grant not recycled	(1,052)	(1,052)	(569)	(569)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,439	1,439	690	690
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10 Donation income

During the year, the Association received a donation of housing properties and unrestricted cash from Phoenix Community Homes, which is in the process of winding up. The donated assets have been recognised as non-operating income at fair value.

The assets transferred totalled £1,215,000, comprising housing properties valued at £1,140,000 and cash of £75,000. As no restrictions were attached, the income has been credited to unrestricted funds consistent with SORP fund accounting principles.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****11 Interest receivable**

	2025		2024	
	Group	Association	Group	Association
	£000	£000	£000	£000
On bank and building society deposits	44	44	59	59
On intragroup loans	-	82	-	-
	<u>44</u>	<u>126</u>	<u>59</u>	<u>59</u>

12 Interest and finance costs

	2025		2024	
	Group	Association	Group	Association
	£000	£000	£000	£000
On bank loans and other loans repayable wholly or partly within 5 years	310	310	1,177	1,159
On bank loans and other loans repayable wholly or partly after more than 5 years	4,681	4,681	3,439	3,439
Bond premium released	(94)	(94)	(91)	(91)
Defined benefit pension charge	81	81	82	82
Interest capitalised on construction of housing properties	(293)	(293)	-	-
	<u>4,685</u>	<u>4,685</u>	<u>4,607</u>	<u>4,589</u>

13 Taxation

	2025		2024	
	Group	Association	Group	Association
	£000	£000	£000	£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>

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****13 Taxation (continued)**

Factors affecting tax charge for the year:

For the year ending 31 December 2025, the profit of Orwell Homes Limited has been surrendered to the parent company under the Gift Aid scheme. For the year ending 31 December 2024, the profit of Orwell Homes Limited was also surrendered to the parent company under the Gift Aid scheme, and accordingly no UK Corporation Tax is assessed as payable for either year.

	2025	2024
	£000	£000
Subsidiary profit on ordinary activities before tax	134	4
Gift Aid	(134)	(4)
	<u>-</u>	<u>-</u>

14 Intangible fixed assets

Group and Association	Software	2025
	£000	Total
		£000
<i>Cost</i>		
At beginning of year	328	328
Additions during year	31	31
Disposals during year	-	-
At end of year	359	359
<i>Less: Amortisation</i>		
At beginning of year	(55)	(55)
Charge for year	(117)	(117)
Disposals during year	-	-
At end of year	(172)	(172)
<i>Net book value</i>		
At beginning of year	273	273
At end of year	187	187

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****15 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	2025 Total £000
<i>Cost</i>					
At beginning of year	816	7,091	14,423	277,227	299,557
Additions during year	4,074	14,030	14	4,950	23,068
Disposals during year	-	-	(451)	(1,567)	(2,018)
Transfer	(1,172)	(12,066)	1,172	12,066	-
Transfer to investment properties (note 18)	-	-	-	(274)	(274)
At end of year	3,718	9,055	15,158	292,402	320,333
<i>Depreciation</i>					
At beginning of year	-	-	(349)	(27,189)	(27,538)
Charge for the year	-	-	(229)	(3,749)	(3,978)
On disposal	-	-	16	685	701
Transfer to investment properties (note 18)	-	-	-	55	55
At end of year	-	-	(562)	(30,198)	(30,760)
<i>Net book value</i>					
At beginning of year	816	7,091	14,074	250,038	272,019
At end of year	3,718	9,055	14,596	262,204	289,573
					2025 £000
Freehold land and buildings					281,914
Long leasehold land and buildings					1,560
Short leasehold land and buildings					6,099
					289,573

During the year, £3,824,000 of works to existing properties were capitalised (2024: £3,143,000) and £6,613,000 (2024: £5,358,000) were charged to the Group's statement of comprehensive income. All Group borrowings are secured against the Association properties, utilising 2,668 properties with a security valuation of £211.7m.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****16 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	2025 Total £000
<i>Cost</i>					
At beginning of year	891	7,900	14,423	277,246	300,460
Additions during year	4,078	14,306	14	4,950	23,348
Disposals during year	-	-	(451)	(1,567)	(2,018)
Transfer	(1,175)	(12,168)	1,175	12,168	-
Transfer to investment properties (note 18)	-	-	-	(274)	(274)
At end of year	3,794	10,038	15,161	292,523	321,516
<i>Depreciation</i>					
At beginning of year	-	-	(349)	(27,392)	(27,741)
Charge for the year	-	-	(229)	(3,749)	(3,978)
On disposal	-	-	16	685	701
Transfer to investment properties (note 18)	-	-	-	55	55
At end of year	-	-	(562)	(30,401)	(30,963)
<i>Net book value</i>					
At beginning of year	891	7,900	14,074	249,854	272,719
At end of year	3,794	10,038	14,599	262,122	290,553
					2025 £000
Freehold land and buildings					282,894
Long leasehold land and buildings					1,560
Short leasehold land and buildings					6,099
					290,553

During the year, £3,824,000 of works to existing properties were capitalised (2024: £3,143,000) and £6,613,000 (2024: £5,358,000) were charged to the Group's statement of comprehensive income. All Group borrowings are secured against the Association properties, utilising 2,668 properties with a security valuation of £211.7m.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****17 Tangible fixed assets - Other**

Group and Association	Freehold offices £000	Office furniture, plant & equipment £000	Gardening equipment £000	2025 Total £000
<i>Cost</i>				
At beginning of year	2,460	463	9	2,932
Additions during year	-	117	14	131
Disposals during year	-	(7)	-	(7)
Transfers	-	-	-	-
At end of year	2,460	573	23	3,056
<i>Less: Depreciation</i>				
At beginning of year	(124)	(318)	(1)	(443)
Charge for year	(25)	(96)	(2)	(123)
Disposals during year	-	6	-	6
Transfers	-	-	-	-
At end of year	(149)	(408)	(3)	(560)
<i>Net book value</i>				
At beginning of year	2,336	145	8	2,489
At end of year	2,311	165	20	2,496

18 Investment properties

Group and Association	2025 £000	2024 £000
Additions in the year	3,498	-
Transfer from tangible fixed assets	219	-
Fair value adjustment	1,193	-
Carrying value at 31 December 2025	4,910	-

The Company has acquired additional market-rented properties during the year which meet the definition of investment property under FRS 102 Section 16. To ensure consistent presentation, market-rented properties previously included within tangible fixed assets have been reclassified to investment properties. The assets were transferred at their carrying amount, and the reclassification does not have a material effect on the comparative information.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****19 Investments**

	2025		2024	
	Group £000	Association £000	Group £000	Association £000
Liquidity reserve at beginning of year	989	989	1,022	1,022
Movement in the year	(59)	(59)	(93)	(93)
Interest accrued in the year	41	41	60	60
Liquidity reserve at end of year	971	971	989	989

Association

£

At 1 January 2025 and 31 December 2025

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

20 Stocks and work in progress

	2025		2024	
	Group £000	Association £000	Group £000	Association £000
First tranche disposals of shared ownership properties	2,541	2,541	409	409
Market sale properties	4,943	-	1,915	-
Work in progress	-	-	22	22
	7,484	2,541	2,346	431

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****21 Debtors**

	2025		2024	
	Group	Association	Group	Association
	£000	£000	£000	£000
Arrears of rent and service charges	1,005	1,005	1,018	1,012
Less: Provision for bad/doubtful debts	(374)	(374)	(385)	(385)
	<u>631</u>	<u>631</u>	<u>633</u>	<u>627</u>
Trade debtors	1,545	1,540	1,387	1,387
Less: Provision for bad/doubtful debts	(265)	(265)	(280)	(280)
	<u>1,280</u>	<u>1,275</u>	<u>1,107</u>	<u>1,107</u>
Amounts recoverable on contracts	65	65	70	70
Amounts due from group companies	-	2,771	-	-
Other debtors	2,918	2,874	3,321	3,300
	<u>4,894</u>	<u>7,616</u>	<u>5,131</u>	<u>5,104</u>

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

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

At 1 January 2024	531
Charge to income and expenditure account for the year	(88)
Expenditure charge to the provision for the year	222
	<u>665</u>
At 31 December 2024	665
Charge to income and expenditure account for the year	(278)
Expenditure charge to the provision for the year	252
	<u>639</u>
Balance at 31 December 2025	639

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 2025 (Continued)****22 Creditors: amounts falling due within one year**

	2025		2024	
	Group	Association	Group	Association
	£000	£000	£000	£000
Payments on account of long term work in progress	80	80	141	141
Current instalments of loans (see note)	9,278	9,278	6,138	6,138
Trade Creditors	3,425	2,933	2,389	2,190
Contractors for certificate work and unpaid retentions	611	156	475	142
Other taxation and social security	366	366	308	308
Corporation tax	-	-	-	-
Amounts due to group companies	-	811	-	151
Deferred income	215	215	171	171
Recycled capital grants (see note 23)	-	-	-	-
Deferred capital grants (see note 254)	1,064	1,064	993	993
Other creditors and accruals	2,711	2,600	2,489	2,481
	<u>17,750</u>	<u>17,503</u>	<u>13,104</u>	<u>12,715</u>

23 Creditors: amounts falling due after more than one year

Amounts due are payable as follows:

	2025		2024	
	Group	Association	Group	Association
	£000	£000	£000	£000
Recycled capital grant fund (see note 23)	257	257	232	232
Deferred capital grants (see note 24)	82,444	82,444	81,155	81,155
Borrowings (see note 25)	128,997	128,997	112,428	112,428
Less: Loan arrangement costs	(478)	(478)	(231)	(231)
	<u>211,220</u>	<u>211,220</u>	<u>193,584</u>	<u>193,584</u>

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****24 Recycled capital grants**

	2025		2024	
	Group	Association	Group	Association
	£000	£000	£000	£000
At the beginning of the year	232	232	106	106
Inputs to RCGF: grants recycled	235	235	188	188
interest accrued	10	10	8	8
Recycling of grant: new build	(220)	(220)	(70)	(70)
At the end of the year	257	257	232	232

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

25 Deferred capital grant

	2025	2024
Group and Association	£000	£000
As at 1 January	82,148	80,496
Grant received in the year	3,233	2,846
Capital grant amortised	(1,050)	(984)
Reinstatement of grant re disposals	-	-
Disposals	(823)	(210)
As at 31 December	83,508	82,148
Deferred capital grant due within one year	1,064	993
Deferred capital grants due after one year	82,444	81,155
	83,508	82,148

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****26 Borrowings**

	Group 2025 £000	Association 2025 £000	<i>Group 2024 £000</i>	<i>Association 2024 £000</i>
Creditors: amounts falling due within one year (see note 22):				
Bank and other loans	9,278	9,278	6,138	6,138
	<u>9,278</u>	<u>9,278</u>	<u>6,138</u>	<u>6,138</u>
Creditors: amounts falling due after more than one year (see note 23):				
Bank and other loans repayable:				
By instalments due after 1 year & up to 5 years	7,220	7,220	15,034	15,034
By instalments due after 5 years	28,335	28,335	52,712	52,712
Other than by instalment due 1 year & up to 5 years	10,411	10,411	11,400	11,400
Other than by instalment due after 5 years	83,031	83,031	33,282	33,282
	<u>128,997</u>	<u>128,997</u>	<u>112,428</u>	<u>112,428</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 2026 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 HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****27 Financial instruments**

	2025	2024
Group	£000	£000
Carrying amount of financial assets:		
Debt instruments measured at amortised cost	3,890	3,778
Carrying amount of financial liabilities:		
Measured at amortised cost	144,625	124,291

28 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 2025 by a qualified independent actuary

Fair value of assets and defined benefit liability

	2025	2024
	£000	£000
Fair value of plan assets	1,693	1,702
Present value of funded liabilities	(1,033)	(973)
Asset restriction	(660)	(729)
Net asset	-	-

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:

	2025	2024
	£000	£000
Fair value of plan assets at 1 January	1,702	1,509
Interest income	94	69
Contribution by scheme participants	2	2
Contributions by the employer	11	11
Experience on plan assets (excluding amounts in interest income)		
– gain / (loss)	(94)	114
Pension increase order impact	-	-
Benefits paid	(22)	(3)
Fair value of plan assets at 31 December	1,693	1,702

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****28 Pension provision – Local Government Pension Scheme (continued)****Reconciliation of opening and closing balances of the defined benefit obligation:**

	2025	2024
	£000	£000
Defined benefit obligation at 1 January	973	1,125
Current and past service cost	6	9
Interest cost	53	51
Contribution by scheme participants	2	2
Actuarial gains due to scheme experience	50	38
Actuarial gain / (loss) due to changes in demographic assumptions	(29)	(2)
Actuarial gain / (loss) due to changes in financial assumptions	-	(247)
Benefits paid	(22)	(3)
Defined benefit obligation at 31 December	1,033	973

The actual return on the plan assets (including any changes in share of assets) over the year ended 31 December 2025 was £140,000.

Defined benefit costs recognised in Statement of Comprehensive Income

	2025	2024
	£000	£000
Expenses	6	9
Net interest expense	(1)	(1)
	5	8

Defined benefit costs recognised in other comprehensive income

	2025	2024
	£000	£000
Experience gain / (loss) arising on the plan liabilities and assets	(190)	(38)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	29	2
Experience gain / (loss) on plan asset	46	114
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain / (loss)	-	247
Actuarial loss to restrict asset value to nil	109	(345)
Actuarial gain / (loss) in respect of pension scheme	(6)	(20)

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****28 Pension provision – Local Government Pension Scheme (continued)****Major categories of plan assets as a percentage of total plan assets:**

	2025	2024
Equities	63%	64%
Bonds	25%	27%
Property	10%	8%
Cash	2%	1%

Financial Assumptions

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

	31 Dec 2025	31 Dec 2024
	% per annum	% per annum
Rate of increase in salaries	3.75	3.70
Discount rate	5.60	5.55
Inflation assumption (CPI)	2.75	2.70

Mortality assumptions

Life expectancy is based on the Fund's VitaCurves with appropriate weightings with improvements in line with the CMI 2024 model, with core parameterisation, 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 2025	
	Males	Females
Current pensioners	21.9 years	24.8 years
Future pensioners	21.3 years	25.2 years

Contributions

Orwell's contributions to the LGPS Scheme for the period ended 31 December 2025 were £5,000 (2024: £11,000) and the employers' contributions rate has been fixed as 12.4% of pensionable pay until 31st December 2026. At the year-end £1,000 (2024: £869) contributions were payable to the scheme and are included in creditors. The estimated employer's contributions for the year to 31 December 2026 will be approximately £5,000.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)**

29 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 2023. This valuation revealed a deficit of £693m. 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 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 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-2026 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m or more. 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 2025 (Continued)****29 Pension provision – the Pensions Trust Social Housing Pension Scheme (continued)****Present values of defined benefit obligation, fair value of assets and defined benefit liability**

	2025	2024
	£000	£000
Fair value of plan assets	9,451	8,961
Present value of defined benefit obligation	-	-
Present value of funded liabilities	(10,457)	(10,713)
Net liability	(1,006)	(1,752)

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

	2025	2024
	£000	£000
Fair value of plan assets at 1 January	8,961	9,397
Adjustment by Trustee to opening value	-	-
Interest income	496	465
Contribution by scheme participants	13	15
Contributions by the employer	698	796
Experience on plan assets (excluding amounts in interest income) – (loss)/gain	147	(1,398)
Benefits paid	(864)	(314)
Fair value of plan assets at 31 December	9,451	8,961

Reconciliation of opening and closing balances of the defined benefit obligation

	2025	2024
	£000	£000
Defined benefit obligation at 1 January	10,713	11,790
Current and past service cost	99	129
Expenses	20	16
Interest cost	578	565
Contribution by scheme participants	13	15
Actuarial loss due to scheme experience	333	(226)
Actuarial (gain)/loss due to changes in demographic assumptions	-	(111)
Actuarial (gain)/loss due to changes in financial assumptions	(435)	(1,151)
Benefits paid	(864)	(314)
Defined benefit obligation at 31 December	10,457	10,713

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****29 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 2025 was (£643,000).

Defined benefit costs recognised in Statement of Comprehensive Income

	2025	2024
	£000	£000
Expenses	119	145
Net interest expense	82	100
	<u>201</u>	<u>245</u>

Defined benefit costs recognised in other comprehensive income

	2025	2024
	£000	£000
Experience (loss) on the plan assets	147	(1,398)
Trustee Adjustment to opening balance	-	-
Experience (loss)/gain arising on the plan liabilities	(333)	226
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	-	111
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	435	1,151
	<u>249</u>	<u>90</u>
Actuarial gain / (loss) in respect of pension scheme		
	<u>249</u>	<u>90</u>
Total gain / (loss) recognised in other comprehensive income		
	<u>249</u>	<u>90</u>

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****29 Pension provision – the Pensions Trust Social Housing Pension Scheme (continued)****Major categories of plan assets as a percentage of total plan assets:**

	2025	2024
Equities	12.41%	9.97%
Bonds	0%	0%
Property	4.92%	4.66%
Absolute return fund	3.74%	3.90%
Cash	1.12%	1.97%
Other	77.81%	79.50%

Financial Assumptions

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

	31 Dec 2025	31 Dec 2024
	% per annum	% per annum
Rate of increase in salaries	3.68	3.85
Discount rate	5.72	5.59
Inflation assumption (CPI)	2.68	2.85

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 2025	
	Males	Females
Current pensioners	20.5 years	23.0 years
Future pensioners	21.7 years	24.5 years

Contributions

Orwell's contributions to the SHPS Scheme for the period ended 31 December 2025 were £698,000 (2024: £796,000) 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 £482,000 on 1 April 2025 and increasing thereafter annually by inflation of 2% and payable until 31 March 2028.

At the year-end £69,000 (2024: £48,000) contributions were payable to the scheme and are included in creditors. The estimated employer's contributions for the year to 31 December 2026 will be approximately £515,000.

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****30 Housing stock****Group and Association**

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

	2025	2024
<i>Housing units under development</i>	91	61
<i>Social housing accommodation under management</i>		
General needs housing – social rent	1,982	1,913
General needs housing – affordable rent	1,128	1,077
Supported housing and housing for older people	620	620
Low cost home ownership accommodation	202	185
Registered care home	10	10
Other social housing	122	119
	<u>4,064</u>	<u>3,924</u>
<i>Non-social housing accommodation under management</i>		
Market rented	81	50
Market rented supported housing and housing for older people	131	131
	<u>4,367</u>	<u>4,166</u>

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

	2025 Units	2024 Units
Access Community Trust	49	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
	<u>88</u>	<u>106</u>

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****32 Share capital and reserves****Share capital**

	2025	2024
Group and Association	£	£
At beginning of year	16	15
Shares cancelled	(2)	(2)
Shares issued	2	3
	<u>16</u>	<u>16</u>
At end of year	16	16

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.

33 Capital commitments

	2025	2024
Group	£000	£000
Expenditure contracted, less certified	14,509	7,388

The above expenditure will be financed using Social Housing Grant (SHG) of £5,998,000 (2024: £483,000) together with a loan facility of £8,511,000 (2024: £6,905,000).

	2025	2024
Association	£000	£000
Expenditure contracted, less certified	10,157	4,247

The above expenditure will be financed using Social Housing Grant (SHG) of £5,998,000 (2024: £483,000) together with a loan facility of £4,159,000 (2024: £3,764,000).

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****34 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:	2025	2024
	£000	£000
Amounts due: Within one year	1,756	1,696
In one to five years	6,376	6,058
In more than five years	18,925	17,240
	<u>27,057</u>	<u>24,994</u>
Motor Vehicles:	2025	2024
	£000	£000
Amounts due: Within one year	291	285
In one to five years	311	495
	<u>602</u>	<u>780</u>
Other:	2025	2024
	£000	£000
Amounts due: Within one year	150	171
In one to five years	137	222
	<u>287</u>	<u>393</u>

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****35 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:

	2025	2024
	£000	£000
Purchases from Orwell Homes Limited	5,039	3,199
Salary costs recharged to Orwell Homes Limited	160	137
Interest credited to Orwell Homes Limited	82	-
Gift aid	134	4

At the year end, the net amount due to Orwell Housing Association Limited was £2,173,000. In 2024, the net amount due to Orwell Homes Limited was £151,000.

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.

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

Group	2025	2024
	£000	£000
Surplus for the year	5,326	1,587
Depreciation, amortisation and impairment	4,218	3,958
Amortisation of grant	(1,050)	(995)
Defined benefit pension schemes	(827)	(641)
(Gain) on disposal of fixed assets	(1,439)	(690)
Loss on disposal of components and other properties	113	140
Interest receivable	(44)	(59)
Non-cash donation income	(1,140)	-
Investment property revaluation	(1,193)	-
Interest payable	4,685	4,607
Operating cashflows before movements in working capital	8,649	7,907
(Increase) in investments	18	33
(Increase)/decrease in stocks	(5,138)	452
Decrease/(increase) in debtors	237	1,270
(Decrease)/increase in creditors	1,204	(882)
Cash generated from operating activities	4,970	8,780

ORWELL HOUSING ASSOCIATION LIMITED**Notes forming part of the financial statements for the year ended 31 December 2025 (Continued)****37 Analysis of changes in net debt**

Group	At 1 January 2025 £000	Cash flow £000	Other non- cash movements £000	At 31 December 2025 £000
Cash at bank and in hand	2,493	(406)	-	2,087
Creditors due in < 1 year: Current instalment of loans	(6,138)	6,053	(9,193)	(9,278)
Creditors due in > 1 year: Bank loan	(112,201)	(25,584)	9,266	(128,519)
Total	(115,846)	(19,937)	73	(135,710)

38 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 25, together with the amortised amount. At the end of the year, the total amount of SHG potentially repayable was £109,300,350 (2024: £102,047,000).

39 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.